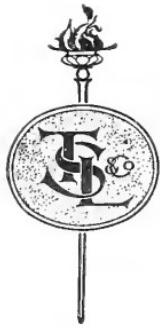








## Pauperizing the Rich.



# PAUPERIZING THE RICH

AN INQUIRY INTO THE VALUE AND SIGNIFICANCE OF  
UNEARNED WEALTH  
TO ITS OWNERS AND TO SOCIETY

BY ✓  
ALFRED J. FERRIS

## Part I.—The Diagnosis

AN ESSAY IN THE CONSERVATIVE CRITICISM OF THE  
PRESENT SOCIAL STATUS

## Part II.—The Remedy

AN ESSAY IN THE CONSTRUCTIVE EMENDATION OF  
EXISTING INSTITUTIONS

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*Upspringing from the ruined Old  
I saw the New.*

*The outworn rite, the old abuse,  
The pious fraud transparent grown,  
The good held captive in the use  
Of wrong alone,—*

*These wait their doom, from that great law  
Which makes the past time serve to-day;  
And fresher life the world shall draw  
From their decay.*

*God works in all things; all obey  
His first propulsion from the night:  
Wake thou and watch! the world is gray  
With morning light!*

—WHITTIER, "The Reformer."

There is an instinctive sense, however obscure and yet inarticulate, that the whole constitution of property, on its present tenures, is injurious, and its influence on persons deteriorating and degrading ; that truly, the only interest for the consideration of the State, is persons ; that the highest end of government is the culture of men : and if men can be educated, the institutions will share their improvement.

—EMERSON, "Polities."

## P R E F A C E .

THE initial task attempted in the following pages is to present a new, or at least a neglected, point of view.

The current discussion of social problems is, it seems to me, seriously befogged by a mere confusion in terms. Things which are in essence the same are given different names, and the disguise so conferred seems to be for all practical purposes complete. I have therefore felt moved to apply to the consideration of these questions the somewhat revolutionary measure of calling similar things by the same name. This constitutes my point of view.

The satisfactory presentation of a point of view, however, necessarily involves the more or less complete exposition of the field of view. This is my warrant for assuming to rewrite certain chapters of political economy. Little as I covet the task it is yet evident that the outlook I am seeking to introduce demands a considerable recasting of current economic theory. I have therefore tried to indicate, though necessarily in the merest outline, the theoretical basis upon which my thesis must rest for economic justification.

In undertaking this I do not in the least claim to have met the requirements of a formal treatise,

although I am convinced that the principles on which I build would richly repay adequate formal statement. I have simply taken the various branches of inquiry at the level of popular discussion, and attempted to range them around my main position into a fairly coherent system. If in so doing I have freely used the ideas of other men without due acknowledgment, they are, in most cases, those which are so well known as to make formal credit superfluous.

The point of view herein advocated is primarily critical in its outlook upon society. All fair criticism of existing society, however, is necessarily a mere prelude to an attempt at constructive work; and I have not allowed the plentiful supply of reform measures in the field to withhold me from formulating mine.

The scheme as a whole may very well strike the reader as highly incongruous. It assuredly is incongruous, judged by accepted models; but it is so advisedly and of set purpose. It is an attempt to make peace between the extreme left and the extreme right. It aims to be as conservative as the Liberty and Property Defense League and as radical as the Socialists. It accepts, at least in spirit, the aspirations of the most visionary reformers, and attempts to reach their substantial fulfilment by a measure which yet respects the great underlying principles of the existing

social system, and which will stand the closest scrutiny of the practical intellect.

That the making of peace between these apparent incongruities is the condition of achieving real progress toward solving the social problem, is my firm belief. All thoughtful men nowadays have, and are deeply influenced by, more or less definite visions of a regenerated society. But a large part, if not the bulk, of such men are evidently, like myself, limited in their conceptions by the facts of their experience; and, perhaps by reason of the long immersion of their faculties in practical affairs, are absolutely unable to accept as real the hope embodied in the current measures of the root-and-branch reformers.

One point which the following pages may have failed to make clear I wish to emphasize beyond the possibility of misapprehension. The underlying philosophy of this book contains no strain of pessimism. I do not believe the world is growing worse; on the contrary, in spite of the manifest abundance of reactionary movements and tendencies, I firmly believe it is steadily growing better. Our social evils are growing unendurable not because they are growing worse, but because their persistence shows a great waste of ameliorative power. But one of the most hopeful signs of the present time is the waxing public sense of the gravity of these evils, and the rapid

growth of a strong desire and intelligent determination to abate them. It is the existence of these important allies that encourages me to bring forward as a strictly practical measure a proposal for the utilization of this wasted power,—a proposal which is either utterly visionary or hopelessly reactionary according to the standpoint whence it is viewed, and which I therefore venture to believe is the golden mean.

A. J. F.

PHILADELPHIA, February, 1899.

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The great problem which the next century will have seriously  
to take in hand and finally solve is this: Are rich men likely to  
prove of any real social use, or will it be better to abolish the  
institution?

—FREDERIC HARRISON.

## PART I.—THE DIAGNOSIS.

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### INTRODUCTORY.



## CHAPTER I.

### INTRODUCTORY.—CHARITY AND CHARITY.

OUR friend Mrs. B. has a large and interesting “charitable list.” Of course it is made up wholly of the deserving. Mrs. B. does not believe in the haphazard bestowal of charity, and each recipient of her bounty has undergone a rigid investigation.

Judge therefore, if you can, of the shock which Mrs. B. experienced when she discovered that a favorite protégé, a man who had a family of nine children to support on “odd jobs,” had almost entirely ceased working, and found life so far supportable on his pension from her that he could hardly be brought to accept an occasional “odd job,” even when it came without his seeking it.

“To think of it!” she exclaimed. “The wretch had come to count on my allowance regularly, just as if it belonged to him, and wouldn’t lift his finger to help himself. He had become completely pauperized.”

The trouble which Mrs. B. experienced in her attempts to do good with her money is of a kind which perplexes charitable workers everywhere. Every person who has had large experience in attempting to help the poor has learned to beware of pauperizing them as he would beware of communicating the plague.

Help which saps a person’s ability and determina-

tion to help himself,—which pauperizes him,—is not merely *not* help:—it is deadliest hindrance. Pauperizing is simply killing, in an economic sense. The pauperized man has no ambition, energy, foresight, solicitude for the future,—only inertia. He is, economically considered, a corpse.

On the other hand, help which increases one's ability and fortifies his determination to help himself is not merely real help; — it is double help, or help multiplying itself.

These conclusions are almost axiomatic. We know of no denial of them; in fact any weighty denial of them is hardly conceivable. They are the consensus of all enlightened charity. Inexperienced enthusiasts often ignore them; men and women of ripe knowledge never, we believe, either ignore or deny them.

These principles we may safely accept as established truth: upon them we may lean when confused by the complexity of these difficult problems.

The purpose of this book is to investigate the World's Charitable List.

For as surely as Mrs. B. maketh her periodical rounds does our World have a vast charitable list. Though constantly protesting that her income is not sufficient to pay decent wages to her workers, she yet contrives to bestow a surprisingly large part of it upon those who toil not nor spin, and another very large part upon those who toil but lightly yet are rewarded lavishly.

It is these favored ones that constitute the World's Charitable List. They are most various in degree

and kind, of all ranks of society, all colors, all grades of intelligence. The names of Mrs. B.'s protégés are found on this list, mingling familiarly with those of royal dukes ; those of the tramp and pauper touch elbows with the *Bugle's* list of Great American Heiresses. One bond alone unites them ; all can truthfully say, "Others have labored, and we are entered into their labors."

But here we are asked with some asperity, "By what warrant do you call this a charitable list ? Its upper portion, at least, is an imposing array of the best families in the land, who never accepted a cent of charity in their lives."

To which we reply that we have a warrant for calling a spade a spade, and none other seems to us necessary. The individuals in question did not earn their money,—that part of it under consideration: it was given to them by persons who wished to help them. If this is not charity, we are unable to frame a definition of the word.\*

To be sure the givers did not care to insist that it be called charity; were in fact anxious that it should not be. But this cannot alter the main fact. A spade remains a spade in utter disregard of a social convention that it be called a kingly crown.

Ignoring conventional distinctions, then, the classification of wealth is very simple:—either a man has

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\* The etymology of the word yields us no assistance here because it throws light only upon its meaning as used in the New Testament. The sense in which it is popularly used is entirely different, and requires no explanation. We have used it in the popular sense.

earned his wealth or he has received it through charity. The essential question of its being or not being charity is not in the least affected by the fact that it was given to him by a parent or near relative, or by his receiving it after the death of the donor, or by any other similar consideration.

It undoubtedly has an important influence on the effects of charity, however, that it is given, not condescendingly, but as between equals. The charity which usually monopolizes the name gives as to an inferior, and considers that a stigma attaches to the acceptance of its gifts. This charity we shall hereafter call the Charity of Condescension when we have need to distinguish it from the other charity of the World's Charitable List, which other charity we shall call, in default of a better name, the Charity of Equality.

But despite this important distinction, and the wealth and social standing of those whose names head its list, the Charity of Equality is in its essence on a par with its humble sister. We freely admit that its list is an imposing one; nevertheless, it is manifestly a charitable list.

But here again we are rather sharply reminded: "If this be a charitable list it certainly cannot be maintained that there is any disgrace in receiving charity."

This we grant without demur. There is no disgrace in receiving charitable help, either from the Charity of Condescension or the Charity of Equality. There is no disgrace in being on Mrs. B.'s charitable list; no more and no less disgrace in being on the World's

Charitable List. Receiving a gift of two dollars a week does not disgrace one of Mrs. B.'s pensioners; receiving a gift of two million dollars a year does not disgrace the rich man's heir.

In fact there is only one form of disgrace connected with receiving charity, and this lies in receiving it unprofitably. This disgrace applies with equal force to Mrs. B.'s list and the World's list. If Mrs. B.'s protégé fail to make a good use of her gifts,—if he be pauperized by his allowance,—it is a disgrace to him, and a charge against Mrs. B.'s wisdom in placing the money in his hands. If the rich man's heir fail to make a good use of his inherited millions,—if he allow them to support him in luxurious and unprofitable idleness,—in short, if he be pauperized by them:—then indeed the charity which he has dishonored is turned into a disgrace to him and a charge against the wisdom of the social arrangements which have placed it in his hands.

It is in the light of these ideas that we wish to investigate the World's Charitable List. It is this form of disgrace and the corresponding form of justification which we wish to consider. We are not concerned with any imaginary stigma belonging to the Charity of Condescension as such. According to our ideas charity disgraces and is disgraced when it is wasted and misapplied; confers honor and is honored when it is nobly utilized. Similarly, with us the "deserving" are those who are likely to make a good use of charitable gifts bestowed on them; the undeserving those who are likely to waste the charitable gifts they receive.

But is not the World's Charitable List made up wholly of the deserving?

Yes, certainly; at least, from what the World says, we may legitimately infer that it is. The World does not believe in the haphazard bestowal of charity, and each recipient of her bounty, she explains, has undergone a rigid investigation, and has claims which could not in good faith be ignored. Miss S. may seem to be rather unduly favored, but then her father engineered a most difficult financial operation in the reorganization of the X.... and Q.... railroad. The Duke of W. certainly draws largely on the charitable funds, but we must not forget that his remote ancestress made herself extremely pleasant to the ruling monarch of her day. Mr. Van A. at present hardly renders an equivalent in labor for the large yearly sum the World allows him, but when you come to look into it you find that whole blocks of houses uptown are built upon his ancestral acres. And so on through the whole list: every allowance from this charitable fund is an acknowledgment of services rendered, directly or indirectly. To ignore such claims, the World insists, would be a direct blow at the fundamental maxim upon which our social fabric is based,—that everyone has a right to the fruits of his exertions.

And yet the World herself, like Mrs. B., occasionally receives a severe shock when contemplating the results of her bounty—a shock that makes her wonder if she has the proper idea as to who are the “deserving.” She has time and again discovered that many of her favorites have entirely ceased exerting themselves; that they cannot be brought to undertake the most necessary and honorable work, even when it

seeks them; that they have come to look upon their allowance from the charitable funds "just as if it belonged to them" absolutely. She has even been heard in moments of extreme perturbation to remark under her breath that this was very much like being pauperized; but her loyal trust in the principles on which her charitable list is based has as yet prevented any hasty and ill-advised attempt to recast it.

And yet it cannot be denied that much of the most serious thinking she has done of recent years has been directed upon this problem. She is not dull-witted, albeit of a conservative temperament; and the spectacle of some of her largest benefactions producing untoward results has not been wasted upon her. Just what definite conclusions she has reached as the fruit of her thinking she has not yet seen fit to disclose; but it is becoming well understood that she is developing a determination to make her charitable list show better results, even if she should have to violate some time-honored traditions.

But if her thinking have as yet borne little fruit in the shape of definite conclusions, it has been highly prolific of questions. "Does unearned wealth *really* help a person?—does it increase his ability and fortify his determination to help himself?"—"Does his possession of it benefit the community at large?"—"Does it do most good and least harm when received in large or in small quantities?"—"Does it not often sap one's ability and determination to help himself, and so work deadly harm?"—"If large wealth do this, does it not produce real pauperism as truly as small doles?"—these are some of the questions she has lately been asking herself over and over again,

with great earnestness, and with an apparent determination to reach some definite conclusion.

Of course the agitation of these questions is considered very bad form by many of the beneficiaries of the World's Charitable List, (and by many would-be beneficiaries). These have attempted to stifle the World's thinking on this subject by several neat demonstrations that the whole commotion is merely an attempt of the drones to grasp the share of the workers. But these demonstrations have evidently failed to carry complete conviction; and we may therefore join our thinking powers to those of the World in attacking this problem, assured that it is still a very lively question, and that any good, solid thoughts we may be able to contribute to its consideration are not likely to be wasted.

As a preliminary to the investigation of the World's Charitable List, let us devote a little time to formulating our ideas on the subjects we have taken up for consideration. As to the World's Charitable List let us inquire what relation it bears to the existing competitive system; and as to the general matter of charity let us inquire what elements tend to make charitable giving really beneficial, and what elements tend to pauperizing.

## BOOK I.

PRELIMINARY STATEMENT OF PRINCIPLES.



## CHAPTER II.

### REWARDS OF MERIT AND REWARDS BY FAVOR.

WE have seen that the World — the personified World of our little parable — considers that our social fabric is based upon the maxim that “Everyone has a right to the fruits of his own exertions.”

We also can heartily accept this principle as our foundation stone. Wealth that a man honestly and fairly earns is his to use according to his best lights. He may make mistakes in the use of it,—they do not concern us: Nature has placed it in his hands. We shall go far in our investigation of society before we begin to call Nature to account.

Yet upon looking a little more closely into the matter we find the World pleading the sacredness of this principle as her excuse for maintaining her immense charitable list. We must, she says, secure to her favorites the fruits of others' exertions in order that everyone may enjoy the fruits of his own exertions. She makes the maxim read, Everyone has a right to the fruits of his own, and some a right to the fruits of others', exertions.

This may be illogical, but it is true to life. We are constantly hearing our existing competitive system commended on the twin grounds (1) that it is a pure merit system, and (2) that it is a system of pure favoritism. On the first count it is admirable because it is so successful in evoking strenuous effort from the

workers and in securing the survival of the fittest; and on the second, because it enables each victor in the competition to establish for his immediate family a little system of pure favoritism wherein effort is wholly unnecessary, and therein to set at naught the natural process which tends to secure the survival of the fittest.

Thus the World's invitation to enter her competition, if we look closely into its inner meaning, is somewhat like this: "Come all ye strong men, and by your mighty endeavors help me to build high the walls of the great competitive Merit System. To each one of you who is conspicuously successful I will grant the privilege of setting off a great bomb under its loftiest towers."

The popular confusion of ideas on this point is most marked. It may be worth our while to examine it a little more closely.

The Self-Made Man is the hero of our modern competitive system. We are all perfectly familiar with him, both in actual life and in literature. Let us consider the ideas which rule his course.

He is, in general, a strong, self-reliant, self-sufficient character. He started in life with little help from family or friends, with no capital, no advantages, no chance; but he triumphed over all adverse circumstances, turned all obstacles into stepping-stones, grew in strength by the difficulties he conquered. His steadfast purpose to succeed and his resolute grappling with all hindrances begot a toughness of fibre and resourcefulness which rendered success certain. Of

course he achieved a magnificent material success, but we have his word for it that he esteems this as nothing compared with the splendid character wrought out in the struggle.

—Thus doth the Self-Made Man build high the walls of our competitive Merit System.

Here is a really heroic figure, a noble ideal of life. To be sure we often find that the heroics have been a little exaggerated in the telling; that a little more kindly help has been enjoyed by the Self-Made Man than is set forth in his recital; that there are a few graces lacking in his ideal of a noble character. Nevertheless, we believe in him, as he believes in himself; we assent to his philosophy of the salutary results of discipline by struggle and adversity; we agree with him that the really fortunate man is he who is forced to depend solely upon his own exertions.

Here, of course, is a lesson for all of us. Let us spurn all ideas of being helped on in our careers; let us depend solely upon our own efforts: we shall be the happier, the wiser, the nobler for it.

But the Self-Made Man rears a family, and in due time he becomes anxious about their establishment, and their welfare in the future. He calls to mind the uncertainty of life, and desires so to fix things that his family will be provided for when he is gone.

Of course he will be mindful of the lessons of his own youth and manhood!—of how the best help is self-help; the discipline of struggle and adversity a priceless benefit; the best provision for the future a determined will and a dauntless heart. He will, of course, leave his children the real and lasting benefit of being purely self-dependent!

But, oh no! — that is quite a different matter. He soon sets us right on this point. “ Do you think I intend to leave my family to the tender mercies of a cold world ? What is the use of my working all these years if I can’t leave my children well provided for? They have a right to hold up their heads with the best of them. How ridiculous to say that they should learn to support themselves! They won’t need to lift a finger to earn money! ”

And we chime in with his declaration; we wish, oh, so heartily, that we could leave our children as well fixed as his will be. We agree with him that there is no gainsaying the benefits of a good financial provision for the future; that the really fortunate man is he who has had a parent able to ward off the cold world’s buffeting.

—And yet it is evident that here the Self-Made Man has exploded his bomb under the highest towers of the Merit System.

Much weighty matter is written and spoken on the tacit assumption that our present frame of society is a pure merit system,—that whoso would alter a jot or tittle of our existing social arrangements is desecrating the Ark of the Covenant,—is trying to set aside the beneficent rule that “ everyone has a right to the fruits of his own exertions.”

There is no doubt that the competitive system *is* a merit system. But as it actually operates it is a merit system burdened with heavy accretions of favoritism. These accretions constitute the upper and imposing portion of our Charitable List. They are usually referred to airily as a mere incident of the development

of the Merit System,—a small tail which such a lusty dog as the Merit System can easily wag. But there are some signs that this tail has grown so large as to be able to wag the dog,—that instead of our system being a merit system with a little incidental favoritism, it is a system of favoritism artfully arranged to look like a merit system. A handicap race is doubtless a competition, but a mile race in which handicaps of one mile are distributed is not so much a race as a study in handicapping.

The theoretical statement of the Merit System assumes not only that it is the most efficient, but that it is the best for the individual worker. The Self-Made Man never fails to point out what an inestimable benefit accrued to him from his early struggles;—how much better it was for him to have to work for what he got, than to have rewards dropped into his waiting hands.

The practical working of the upper Charitable List, on the other hand, assumes that it is an excellent thing for a man to get his rewards without the disagreeable necessity of exerting himself. We lack adequate acquaintance with its theory, if such exist, but infer that it consists largely of a shrug of the shoulders.

But, theory or no theory, the building up and cherishing of the Charitable List as practised are directly hostile to the Merit System. They are all the more so from being the practice of its zealous lip-servants. An attack upon the system which permits the present constitution of the Charitable List, therefore, is not an attack upon the real Merit System, but upon its enemies.

The World, however, although much perplexed over

the subject, is afraid nothing can be done to separate the Charitable List from the Merit System. "Why," she exclaims, "you know my whole progress in building up the Merit System depends on my securing the coöperation of these great Self-Made Men, and they absolutely wouldn't work a stroke if I didn't offer them these bombs. Of course, the bombs do some damage, but look what a ceaseless activity in constructive work I secure by using the bombs as bribes."

This, of course, may be true. We are new at the business of building a Merit System, and we may find things are as the World says. Still, we recall to mind the fact that the World usually rewards her self-made men rather handsomely over and above the bombs, and we are moved to wonder if these rewards would not incite them to exertion even were the bomb offer withdrawn.

But at any rate we can keep clearly in mind the fact that the huge benefactions of the Charitable List are not a part of the Merit System, but an excrescence upon it, a disease attacking it. If we *can* free the Merit System from this diseased excrescence it will be infinitely the stronger for the relief.

In attacking the accretions of favoritism which have grown into a great mass upon the shoulders of the Merit System we may wish we could restore our social system to the rugged grandeur of the Self-Made Man's ideal,— that everyone should depend solely upon his own exertions. But sober second thought might beget a doubt as to the wisdom of this, even were it practicable.

For this is rather too severe an ideal to dwell gently

in the popular heart. Even the Self-Made Man has to indulge in the arts of make-up a little to fill this tremendous rôle. When he has doffed his theatrical armor, and washed the paint from his face, he no doubt feels satisfied not to attempt to force his children to play a part so grand. And the practical result in the end is very likely to be, as we have seen, that he comes to regard his sterner philosophy as good, but not useful, and is content to leave his children to support the tremendous responsibilities of coupon-clippers.

And his practical conclusion is right in one respect,—his full heroic doctrine is too severe for ordinary humanity. Most people do not thrive on continuous trial, hardship, misfortune; are not able to begin the fight of life at the cradle, and draw the breath of battle all their lives; do not feel their spirits rise for the conflict in proportion to the severity of the fighting. Most people need to have their strength carefully conserved and nourished in order that they may creditably play even a little part in life. They need sympathy, help over hard places, support and approbation at need; and acquit themselves far better in the fight if these have been provided. That there are people who have the tough fibre and strenuous courage of our Self-Made Man we cannot doubt; but let us not frame our philosophy for a few heroes — or “freaks.”

The assistance and support which are so greatly needed by ordinary humanity as a preparation for conflict and effort it is the function of the World’s charitable funds to supply. To direct these funds to this end would of course necessitate some change in

existing arrangements, but it would not by any means violate the fundamental maxim of our social organization. It would not strike down the Merit System, but give it greater strength, and it would make the ultimate attainment under its operation higher and more common. On the contrary, to use these charitable funds to make strenuous effort seem unnecessary and contemptible *is* a direct blow at the Merit System.

Our investigation of the World's Charitable List shall be conducted, if we are able, entirely in the interest of the true Merit System. We shall not attempt to curtail, but on the contrary to extend, the application of the maxim, "To every man the fruits of his own exertions."

## CHAPTER III.

### HELPERS TO WORK AND HELPERS TO IDLENESS.

BURKE hesitated to draw an indictment against a whole nation. We may well feel a similar hesitation in drawing an indictment against our Charitable List.

For by our definition we made the World's Charitable List include all who receive for their own benefit the fruit of others' labor; and any man who claims that he does not now and never did this is either a self-made man or a "freak"—probably both. Every gift from a parent to a child is a benefaction upon the World's Charitable List. Thus it is evident that every human soul has been at one time or another enrolled as a beneficiary of the World's charity. Even a self-made man was once a baby.

But in truth we have no desire to draw an indictment against the List as a whole. We have pointed out a highly beneficial use to which a large part of the World's charitable funds is devoted ; and our purpose is not wholesale condemnation but investigation,—to discover, if we can, and point out which are the helpful, which the harmful, applications of the World's charity.

Nor do we wish to attack all *large* beneficiaries of the Charitable List. Some of our remarks may sound as if we did; but while we may have glanced at these as furnishing typical examples of the harm the World's charity sometimes does, we know that such ready-

made division lines only confuse us. The evil is not solely in the largeness nor the virtue in the smallness of the World's benefactions. *Some* large fortunes which she has bestowed have been the very best investments the poor old perplexed World has ever made.

The point is one of difficulty, and we may cast upon it whatever illumination we can get from Mrs. B.'s wide experience.

"When I was a little green in charitable work," said Mrs. B., "I had a disagreement with my friend, Mrs. MacF., as to a man I wished to help. He stood investigation better than any man on my list. He was of a good American family, their home was always neat and clean, he was perfectly sober, and in fact flawless in all points of personal character. He was also a hard-working man; but had had misfortune, and was getting a little behindhand when he came to my notice. He and his family were people of refinement, and his bearing was that of a gentleman. I felt that I could never forgive myself if I failed to meet his needs generously, and I made him an allowance which put his income up to its previous level, and a little over, to enable him to make up for the time he was out of work.

"Mrs. MacF. didn't like him, though she couldn't give the least reason for it except to mutter 'invertebrate' when I enumerated his good points. She wanted me to take up instead with a dirty and repulsive Italian whom she seemed to admire, though when we came to investigate him the only thing we could find out about him was that he and his family had

always lived in the gutter. However, she was so insistent that I finally made him a small allowance, though I told her that to ask me to drop Warner in his favor was an insult, so I kept Warner on too. Well, after three or four payments her Italian was lost sight of, and I supposed he had probably gone to prison for theft, or something. But some time after that Warner came to me for a little extra help to get him out of a tight place, and on going to look the matter up I found the little grocery where he got his supplies was threatening to sue him—and Warner has a very nice outfit of furniture and household goods; he might not have been able to escape under the exemption laws. Well, I went to see the grocer to get him to be easy with Warner, and,—would you believe it!—the grocer was this dirty Fontanelli, who had saved up the money I had allowed him, and used it to start huckstering from a cart, and had branched out into a store inside of a year. And he was as nasty and disagreeable about Warner's little account as if he had been a Shylock all his days. I had to pay Warner's account to save his furniture, but I gave orders never to put another Italian name on my charitable list; so next time Mrs. MacF. wants to help trash of that sort she'll have to tap somebody else."

The moral of this little incident may be variously drawn according to the taste and fancy of the moralist, but the palpable moral for us, we think, is this:—It is not past, but future, record that properly counts in making up a charitable list.

This may seem a hard saying to those not able to read the future. It is a hard saying to all; the fact

behind it is a hard, unwelcome fact—at least to many of us.

The course which sympathy takes in making up a charitable list is usually founded upon past records, and upon records of respectability, not of efficiency. We cannot bear to see the refined and delicately-nurtured brought by reverses to taste the merciless realities of life without wishing to spare their feelings. It is an instinct with generous natures to hasten to the relief of people of the stamp of the Warners. A large amount of sympathetic help is directed to saving a little of the pride of fallen aristocrats; to mitigating the shock of transference from the realm of favoritism to the Merit System.

Yet whatever may be the arguments of decency in favor of such charity, it is only too likely to prove a help to idleness, to sap the recipients' ability and determination to help themselves, to inject lotus-juice into the blood that needs iron, to poison in the listener's mind the good advice of the Self-Made Man. It is charity sorrowfully regarding the past; we do not need to be prophets to see that in most cases the future records will not sustain it.

On the other hand it grates upon our nerves to help the Fontanellis,—the grasping creatures whose abnormally-developed acquisitiveness breeds within us an instinctive feeling of repulsion. And yet we can be almost certain that their future record will sustain us; that we are helping them to work and to the ability to help themselves; that in years to come the Self-Made Man will use their cases to point his morals for the instruction of youth, and to glorify our competitive Merit System.

Fortunately the case does not usually present itself in quite the sharp contrast of our illustration. Decency does not disqualify for strenuous exertion; people of refinement and culture are not always invertebrates; to help a grasping "gutter-snipe" is not necessarily the best investment of charitable funds. But consideration of these contrasted cases will, we think, show the line on which judgment must be given in each case. We must judge by the future record, so far as we can foresee it; we must help people to get to work, not help them to indulge pride in idleness; we must help to line up the workers for the test of the Merit System, not help them to escape its rude but invigorating touch.

Charity may wisely undertake to supply seed-grain and fertilizers, plows and reaping machines; she cannot, without pauperizing, supply the harvest.

## CHAPTER IV.

### SEED-GRAIN AND BREAD.

WE have argued in our last chapter that to dispense charity wisely one must have the modest gift of foreseeing the future record of those he wishes to help. After arriving at this conclusion a few remarks on how to read the future are manifestly called for.

We propose, however, to dismiss a large part of this subject at the outset. So far as the forecasting of the future in these charitable problems rests upon judgment of individual character, we have nothing helpful to say. To judge character accurately is a task of immense difficulty, requiring rare and apparently incommunicable gifts of mind and heart, and ripe experience. There are, however, people who have these marvelous gifts most marvelously developed. We cannot by taking thought give any useful rules for adding one to their number; but it is evident that such, so far as they can be procured, should be the almoners of the World's Charitable List in cases where such judgment is demanded.

But even if we had a corps of unerring discerners of character constantly on the watch for cases just ripe for charitable assistance, we might be balked by lack of material. Our search for perfect applicants for help might be as arduous as Diogenes' search for an honest man. If we could furnish the money and the recipients be depended on to do the rest, our task would be greatly simplified. But as a matter of fact,

people who lack money usually also lack some important qualities of character. If the future record of a man be allowed to rest solely upon his own character, and money be the only gift we can bestow, giving will probably be found to be as dangerous as withholding.

But the future record of the recipient of charity need not, in fact *must* not, rest solely upon his own character. Giving is a process of character-forming, and thus moulds the future for good or evil. People who need help cannot safely be trusted with full discretion in the use of it. An influence of steady power and far-seeing wisdom is needed here;—the animus which the giver can communicate with his gift. Under our present system of voluntary charity, on him must rest the burden of overseeing the application of charitable gifts.

The giver is, or may be if he wish, the commanding officer of his squad of charitable pensioners. He can, of course, be a purely titular officer, and often is; in which case his squad wanders aimlessly. On the other hand, he can, if he wish, establish a standard of judgment to be applied to the use made of his charitable gifts; and he can give or withhold in the future as his standard is or is not reached. He can see that his help is used in ways which lead toward self-help, instead of being squandered in self-indulgence;—that grain is set aside for seed-wheat instead of being used for riotous living. If he consistently do these things and make known his reasons for so doing, it is certain that his beneficiaries will at least *attempt* to reach his standard ; and this alone is sufficient to have a very powerful formative influence on

the results of his charity and the future of the people he attempts to help. On the other hand, if he consistently wash his hands of the results as soon as he has given the money, he is pretty certain to breed extensive pauperism.

Our main rule, then, for the reading of the future, is simply this: *Shape* the future. So far as one can judge accurately of the future record of a certain man under certain circumstances, he is of course bound to use his ability, and to give or withhold according to the probable good or evil results. But his own influence on the recipient of his gift should never be colorless or undecided;—that this is so often the case is certainly a large part of our trouble with charity. After one has done his best in the direction of judging character he will have to face much uncertainty as to the outcome; and the best provision he can make against this uncertainty is to see that his gifts are accepted and understood as being not merely relief, but as having a definite aim and purpose to help toward self-help.

This is truly laying a heavy burden of responsibility upon the individual giver, and we are well aware that at present he is a bruised reed. Frankly, no such care as we demand of him is to be reasonably expected,—at least until his further growth in grace. Nor would it be exactly easy to suggest a worthier substitute for him. But waiving for the present the question of the *administration* of charity, it is evident that its invariable *aim* should be to build for the future. It should insist that its gifts be used as seed-grain, and never applied to the mere barren relief of present distress.

This course, if generally adopted, would be a most potent influence in determining the fruits of charity. The World's List and Mrs. B.'s list suffer inexpressibly in effectiveness because of their lack of some such definite guiding principle.

It is our belief that the Charity of Condescension as at present administered contains almost no recognition of the cardinal principle which marks non-pauperizing charity. It vaguely expects its beneficiaries to work toward self-help, and is profuse in lamentations when they fail to do so, but it usually does not even consider the questions of ways and means involved, and its dole is rarely so bestowed as to suggest the idea of working for the future. It is "relief" or an "allowance" when it should be "assistance" or an "advance" or a "loan." It is the gift of wheat when a man's harvest is short; how shall he know, unless the giver impress it upon him, that it is to be used solely for seed-wheat, and none of it for bread?

The usual beginning of a history from Mrs. B.'s charitable list is a case of unusual distress. An allowance is made which seems sufficient to relieve the keen edge of suffering;—and it is very often cut down below this on the general idea that small gifts are not so likely to pauperize as large ones. After continuing the dole for a while, it is discovered that the needs are not diminishing, or perhaps are increasing, in urgency. The conclusion is drawn that this particular case is developing into a permanent one; that the help has produced no real benefit; that the re-

cipient is becoming pauperized, and should be put on the black-list.

Yet Mrs. B. has here plainly failed to comprehend the plainest principles of really helpful charity. She has found a man whose harvest was so short that it meant starvation. She has given him a little grain,—enough to change his condition from one of actual starvation to one of great scarcity merely. He struggles along as best he may on his scanty food-supply, and in due season cometh Mrs. B., and lifteth her hands in holy horror to discover that her protégé has planted no crop for the coming year. Verily, she saith, the improvidence of the poor is his ruin!

And yet in a case like this Mrs. B. has certainly no reason to complain. She has simply given enough to relieve the man from starvation; she has carefully limited her bounty that he might not have anything over the amount necessary to accomplish this. If he escape starvation Mrs. B. has witnessed all the results from her charity that she was entitled to expect. *She* has supplied him with no means to do more. The objective point of her measures is merely the relief of distress, not the provision of help to self-help. If, by reason of having escaped starvation, he be encouraged to make some mighty effort and lift himself to independence, or if he have other help, or if fortune again smile on him,—all well and good; but,—it is none of Mrs. B.'s doing. Her dissatisfaction is in the nature of a complaint that her protégé did not starve himself to death to save seed-wheat for the future crop.

The Charity of Condescension has, we think, been entirely too much in the habit of being satisfied in its

benefactions with just cheating starvation of its victims, and expecting the gods to clap their shoulders to the wheels and do the really useful, uplifting work. It has, however, contributed one great influence toward securing good results from its gifts, and that is, simply expecting them. It never fails to proclaim that the seed-wheat *must* be saved, even when it means starvation to save it. It would be inspiring were it not so pathetic to note how many accept its challenge to do the impossible, and *do* starve themselves to save seed-wheat for their future crop—or that of their children.

But our Charity of Condescension should cease to depend so much on a philosophy for the exceptional. If only heroes and self-made men can meet her terms, the great mass of her beneficiaries must go unbenefted, and perhaps debased. Ordinary men cannot be expected to save largely for the future crop unless they have seed-wheat in addition to their daily bread. Ordinary men cannot seriously and strenuously take up the task of preparing themselves for more fruitful effort unless they have some dependable means to count on, over and above the mere sustenance of life. This does not mean that we should cease to save men from starvation, but that we should insist on saving them to some good purpose; and that this second salvation,—which is the real salvation so far as the community is concerned,—is likely to require additional funds.

We do not at present propose to deal with the question of providing these additional funds. The point upon which we are now laying all our emphasis is that charitable giving should invariably proceed from a

clearly-understood and clearly-expressed purpose to help only toward self-help. It is evident that the universal or general adoption of this definite purpose by charitable givers, or the adoption of some general system which would tend toward the same end, would in itself have a strong tendency to make charity effective as a means toward its chosen end. But obviously in many cases the adding of this implication to charitable gifts means an added expense. On the other hand, the principle advocated would condemn and seek to discontinue a vast mass of so-called charity which is really more in the nature of blackmail,—the doles extorted by tramps and by street and office beggars and “spectacular” cases from fear, good-nature, carelessness, sentimentality, ignorance, haste and preoccupation.

Whether the money saved by discontinuing these purely vicious pseudo-charities would or would not be equal to the extra amount which a rational system would demand elsewhere, we shall not attempt to decide. But the principle we have advocated, if it be valid, applies regardless of the magnitude of the expenditure involved. Whether our charitable funds be large or small, it is evident that the best results can only be expected when they shall be distributed according to an intelligent and coherent system.

Thus our passing consideration of the conditions which tend to make charitable giving really beneficial has led to some luminous conclusions. It has shown us that much giving is wasted because prompted by short-sighted sympathy, and much more made ineffective by equally short-sighted penuriousness. We

have learned that respectability is not always a valid title to charitable gifts; that personal feelings are not to be implicitly trusted in the choice of persons to be helped. We have also seen that haphazard generosity is not merely futile but harmful; that a regular system, and wise discretion in its application, are indispensable prerequisites of accomplishing serious advance in lifting charity-receivers toward self-dependence.

But upon the question of providing the needed wisdom to apply our system, our researches have as yet thrown little light. We have reached no remedy for unwise giving except to advise the charitable to be wise; and this has before been tried with small effect. There is in the world, however, much wise as well as much unwise charity. Let us examine broadly its various methods and incidents, and the consequent results, and see if we can thus extract any help toward the solution of our problem.



BOOK II.

THE WORLD'S CHARITABLE LIST.



## CHAPTER V.

### THE MINOR CHARITIES OF CONDESCENSION.—PAUPERIZING BY WITHHOLDING.

In investigating the World's Charitable List we shall divide her cases by relative magnitude into the Minor, the Medium and the Major Charities; and we naturally begin with the Minor Charities, or those small in individual amount. No exact bounds can well be given for these classes; they merge insensibly into one another. The position occupied by each is indicated with sufficient accuracy by the names we have given them. We can of course only deal with the general characteristics of each class as a whole. To carry our investigation into their divisions and subdivisions would unduly extend our inquiry, and is unnecessary for the accomplishment of our present purpose.

Almost all the cases of the Charities of Condescension fall within the Minor Charities. They constitute a most important part of these, and as they are to everybody the most familiar part of the World's Charity, we shall turn our attention first to them.

But why investigate here? If there be one phase of our social system where no further investigation is needed, it might be plausibly maintained that the Charities of Condescension constitute that one. Surely when we approach this region we may well stay our hand, and feast on the fruits of previous investigations!

There have certainly been plenty of investigations,—but not from our precise standpoint. We do not propose to go digging for a mass of new facts, but to take a survey which will reveal the significance of the facts already generally familiar. In truth, we have small reason to complain of the scarcity of the latter. Reports and reports and reports there have been in great profusion:—reports of Parliamentary commissions, of Congressional committees, poor-law boards, legislative committees, privately-appointed committees, self-appointed committees:—should we stop to digest the fruits of all previous investigations before proceeding with our own survey, we should never investigate more. And still the reports pour forth, and still they bear to an expectant people much information and good advice for the right ordering of their charitable gifts; and the essence and burden and refrain of most of them is always and ever the impressive message, “Beware! beware!! beware!!!—beware of pauperizing by your charitable gifts!”

In all of this of course we can heartily join. But the mission of the message does not end here. The well-to-do hear it, and they marvel at and approve it; they repeat it for their own edification and pass it on to their friends, and they coin it into a familiar saying for their future guidance. And this we find to be the burden of their familiar saying,—“Beware of giving much to charity; for large charitable gifts will surely pauperize.” And right zealously, in season and out of season, do they bear testimony to this cherished truth.

It may seem strange that in all these years of warning the pernicious habit of giving to a pauperizing

extent has never been brought under control. Most people are not naturally averse to making their outlay smaller. Some in particular of those who might be large charitable givers may be said to show a marked avidity for the advice to beware of giving. Yet we can hardly consider this impressively reiterated advice as a fraudulent cry of "Wolf!" and we are forced to believe that the message is needed,—that, however a few of those able to give may hang back, the well-to-do people of our time as a class have grown so generous, and their rapidly-increasing wealth has so enlarged their power to give, that their benefactions have swelled to an embarrassing amount; and that the result is seen in an uncontrollable and swiftly-rising tide of pauperism.

A glance at the amount of charity disbursed in our large cities will make this seem entirely probable. A conservative writer in a reputable journal has recently stated that charitable funds aggregating not less than ten million dollars are annually distributed in New York city alone—(that is, the present borough of Manhattan). This immense sum,—sufficient to defray the expense of one hundred first-class social functions in the smart set!—would allow the distribution of over five dollars to each of the city's inhabitants! As quite a number of these are self-supporting, the concentration of pauperizing virus upon the remainder may be faintly imagined!

The fact that a vast mass of pauperism follows the distribution of these enormous funds, is too patent to need proof. Even those of us who have done no professional "slumming" are quite sufficiently conversant with the facts. At every turn we meet hordes

of the defeated in life's battle, who, having been forced to have recourse in greater or less degree to charitable help, have plainly started on the downward path. Only too frequently they have gone far down its steep declivity, or—saddest of all—have been submerged in the slough of despond in which it terminates. Yes, plainly the warning is most urgently needed!

And yet—we still have a lingering doubt on this point. Is even so large a charitable dole as ten dollars per year absolutely deadly? Have we not known people who have received as much as twenty-five or fifty dollars, and yet survived to be self-supporting and elicit the praises of the Self-Made Man? Is there no antidote to this subtle poison? Must we entirely stop the giving out of charitable funds, thus starving these poor unfortunates, in order to subdue the terrible contagious disease which has acquired such a hold on them?

We have seen that on the World's Charitable List even larger sums than these are not unknown. One thousand, five thousand, ten thousand dollars a year have been given in some cases, and not infrequently the results seem to be excellent,—some unknown influence evidently counteracting the virus. In fact, the World has experimented with charitable donations of millions per year, and has never publicly charged the recipients with being pauperized. But—she may be somewhat given to favoritism, and—she may be thinking.

At any rate let us see if we can learn from her experience anything of value on this point.

As the readers who have followed us thus far will easily realize, we do not credit the World with a surplus of intelligence in regard to her Charitable List. But she has a cool "nerve" which is not without its value. She can approach the idea of giving a person as much as twenty-five dollars a year without that horrible palpitation of the heart which seizes so many of Mrs. B.'s co-workers at thought of these figures. Like the ignorant nurse who in old times gave a fever-patient a full breath of fresh air, never knowing what a deadly act it was, the World nonchalantly gives her patients charitable doses strong enough, by all the accepted facts of charitable lore, to kill a dozen times,—and the patients thrive on the poison. Science owes not a little to experiments which no competently-informed person would have dared to make.

The public has grown entirely familiar with the World's performances in this direction, and seems to have reached the conclusion that, so far as *her* list goes, excessive gifts never pauperize,—the trouble is with the deficient ones. Of course it has to be conveniently blind to some troublesome facts to believe this. But it is still waiting for some *enfant terrible* to try the same experiment with the lists of Mrs. B. and her co-workers. If some reckless person *should* dare to give charitable doses of double or quadruple strength in the realm of the Charities of Condescension, the public would feel its blood freeze with horror while it looked on and awaited the catastrophe.

But for ourselves, reasoning from the substantial identity of the principles involved in both cases, we are by no means persuaded that the expected catastrophe would be inevitable. We may even confess

that we should dearly love to be the *enfant terrible* to try the experiment,— first, however, instituting certain necessary precautions. It is not lack of “nerve” that stays our hand, but lack of command of the necessary charitable funds.

But as there seems to be for the present very little likelihood of our being able to try our foolhardy experiment, let us reason to the best of our ability from the facts as we know them, and try to determine the extent to which the charitable donations of Mrs. B. and her co-workers harm because of their excess, and, on the other hand, the extent to which we must call in some other explanation to account for their pauperizing effect.

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At the very outset, of course, we are confronted by the case of Mrs. B.’s protégé, who allowed his income from charity to supersede all necessity for exerting himself. This is evidently a case of pauperizing pure and simple, created by an excess of charitable giving. The public’s worst expectations would be speedily realized were his dose multiplied.

But here we would pause to ask our interlocutors, How many similar cases can you count from personal knowledge? For ourselves, we aver that, although we have had experience, at first-and second-hand, with a considerable number of charitable cases, we have never met enough instances of this kind to cause any uneasiness. We believe that this man is, in fact, a bogey; that the few genuine cases like his have been talked of so excessively that they have grown into a spectre army. Let nobody be seriously disturbed over him until his census is taken.

Then a second class of cases where pauperizing is evidently chargeable to too much giving is what we have called the pseudo-charities,—the cases of bare-faced imposition. All the help given to such cases tends directly to pauperizing,—to destroying the disposition to self-help and fostering the disposition to live by fraud. To multiply the funds so spent would be indeed forcing a catastrophe: *per contra*, very few things would so clear up the difficulties of the charitable question as their entire abolition. The only good thing to be said about the effect of such giving is that it cultivates in successful impostors a mental alertness very similar to that needed for the conduct of some classes of business. But when such businesses are properly rated the compliment very largely disappears from this admission.

But passing by these two classes, which offer few difficulties in theory, however troublesome they may be in practice, let us see what we can learn of the reasons that produce so much pauperism in the heart of the charitable field where Mrs. B. and her like labor.

The wage-workers, and money-earners in general, of the lower grades, whose seasons of comparative prosperity are so near the edge of actual want, constitute the principal material of these charitable lists. They are not in general lazy,—often quite the contrary; and they are not shiftless as a class, though their entire innocence of the niceties of life often serves as the foundation in fact for the belief that they are. The charity that is dispensed to them usually comes from the hands of workers who have had considerable experience, and who, whatever their faults, are at any rate deeply versed in the danger of pauperizing. Yet

here it is, so far as we can discover, that pauperism has its most relentless hold, and that the attempts at relief seem most inadequate and ineffective.

A large part of the explanation lies in the entire lack of any "margin of safety" among these elements of the population. Their income is exhausted to the last cent in procuring the barest necessities of life, and any unforeseen call for reserve funds,—a serious illness or death, a shutdown of the factory, a change in the conditions of their work or the introduction of new machinery,—of necessity throws them into the ranks of charity-receivers. But the help they purchase by taking upon themselves the stigma of charity is small, and usually restricted with religious care to preventing actual suffering, if it does so much as this. Once they are brought to this condition, escape by the ordinary means at their command is impossible. They are held by the iron grip of necessity as receivers of charitable doles whose jealously-guarded insufficiency prevents their making any recuperative effort. Is it any wonder that their outlook in life comes to be one of dull and fatalistic despair, or that they cease to consider their own efforts as having any power to shape the future?

Despair and fatalism are the signs of pauperizing by withholding, as satiety, self-satisfaction and fantastically-directed energy reveal the pauperism wrought by excessive giving. When a man ceases to hope he becomes a dead weight on society. Charity that does not instil hope has no regenerating power; and when it gives daily bread yet insists on providing nothing beyond, it is substantially pauperizing by withholding.

We know perfectly well that this cursory statement of the case is far from covering the ground satisfactorily. *Mere* increase of money dole is not what is wanted, to be sure; yet we are by no means certain that this would not of itself be an improvement, though a comparatively slight one. An increase all along the line of those charitable gifts which are at present made under reasonably competent and careful oversight would, in all probability, be greatly beneficial, and have comparatively little vicious influence:—but on this point we speak with diffidence. But what is of course really needed is an unfailing agency to direct funds only to purposes of self-help. The only agency we can call on for this purpose,—at any rate at this stage of our inquiry,—is an accession of intelligent and interested influence to accompany and direct an increase of funds, and to impress its gospel of help to self-help upon every recipient of charitable funds.

This is particularly true of all charity which essays to deal with that terrible plague-spot of our social organism,—the evil of intemperance. While urging increased, not diminished, charity as the real need of the very poor, we cannot with candor ignore the complications arising from the liquor question. Our appeals for more funds might fall on deaf ears if we addressed them to some experienced dispensers of charity. These persons are only too likely to have a significant parenthesis in their minds to insert in our talk about starvation. They know that there is starvation in the home while yet the husband and father has seemingly unfailing funds for the purchase of ardent poison. They know that in such cases in-

creased giving would mean increased drunkenness, while the only seed-grain concerned would be the innocent rye perverted to feed the deadly still.

We can only sorrowfully admit the truth of all this. What we have said must be taken subject to the exceptions which exist, in this case as well as in many others we have not had time to specify. We are not able to solve the drink problem; its concern with the especial field of our present investigation we shall endeavor to treat more in detail in a subsequent chapter. But it is as true of these as of most other cases of the Minor Charities that what is needed is not less, but more, funds, admitting always that these added funds would here be worse than useless were they not accompanied with an unwearying application of that pure gold of charity, the charity of the New Testament:—the charity that suffereth long and is kind; that is not puffed up nor easily provoked; that believeth all things, hopeth all things, endureth all things.

This brings us again face to face with the question of ways and means,—How are we to provide the enormous increase of funds necessary? And again we beg leave to answer that we are not just at this moment considering the ways and means question, which we shall take up in due course of time, but trying to show that the real cause of much of the most persistent and apparently hopeless pauperism is, not excessive, but insufficient, giving.

This is not a very recondite truth. It should not be necessary to insist upon it, and it would not be, except for the existence of that very self-satisfying

opinion which we have found prevalent among a certain class,—important from their financial standing,—to the effect that charitable help always pauperizes the poor, and that an excess of it is at the bottom of most of their troubles. This is a very free and fantastic deduction from scattered facts and half-truths, and it holds its ground because its holders never take the trouble to test its accuracy; while on the other hand it is acceptable to them because it throws the mantle of a noble-sounding reason over an attitude that partakes of uncharitableness and selfishness.

This attitude of cynical disbelief in the possibility of doing good by giving,—(which may be disinterested, but more likely has an eye open to self-interest),—is, we think, one of the main obstacles of our time to the adoption of wise charitable methods. If we could inspire people of this class to seriously consider themselves for awhile as recipients of charity,—as they are,—and to measure themselves with the same measure wherewith they mete out justice to the poor, we should be taking a long step forward toward happier days for this burdened World.

## CHAPTER VI.

### THE MINOR CHARITIES OF EQUALITY.—PREPARATION FOR PAUPERIZING.

THE idea of Independence is a national fetish with the American people. Small wonder then that our American hero, the Self-Made Man, has given it a development peculiarly his own.

“I believe in a young man striking out for himself and being independent,” he says, “and not looking to his father to help him along. Why, from the time I went to be assistant in the grocery store at Podunk, just turning thirteen years old, I never had a cent of help from the home folks. I tell you, the sooner a young fellow makes himself independent the more likely he is to make his mark in the world.”

This trenchant remark disposes of the theory,—put forward by a philosopher of some repute for book-learning, but without any claim to the magnificent position of the Self-Made Man in the business world,—that the long period of adolescence of the human race plays an important part in explaining the progressive tendency of man and his supremacy over the brute creation. In the light of the Self-Made Man’s example we can easily see that to allow a young man to depend on the “home folks” until he is of age is simply to cultivate a lack of backbone.

The Self-Made Man showed a pardonable pride in his achievement of assuming the burden of his support at the age of thirteen. But of course he had no

intention of putting his own record forward as the high-water mark of Independence. On the contrary, his generous soul would be thrilled with delight to know that others had surpassed him,—had begun to be self-supporting at the age of twelve, or possibly even of eleven years. *He* does not wish to monopolize all the credit in the world.

Now if the Self-Made Man will put all thoughts of envy behind him, and let his soul freely exult in the achievements of others, we will engage to introduce him to a series of disclosures that will plunge him into progressive spasms of ecstasy. We will show him future citizens who have learned to earn their living not merely at the mature age of twelve or eleven years, but at nine, and eight, and seven, and six. He shall gaze upon children of these ages keeping the long sweat-shop hours of labor with their elders and doing almost full hands' work at cigar-making, or button-hole finishing, or box-pasting, or furniture-polishing. He shall marvel at the independence of rag-pickers of five years; a boot-black of four shall give him a shine; he shall buy his newspaper from a merchant whose baby accents show him to be barely if at all over three years old. In fact, we do not despair of capping his pyramid of wonders by showing him an infant of, say, one month who has achieved financial independence in the manner suggested by Swift—by filling chief place on the bill-of-fare of some rich recipient of the World's charity.

And we should cordially agree with the Self-Made Man that this last achievement is the greatest of all; that we should rather be that baby than fill any other of the high places on this unique roll of honor! . . .

Strange to say, the classes yielding us these prodigies of early independence produce comparatively few examples of conspicuous success in later life. We are perhaps entitled to infer from this that they are somewhat pauperized. According to the principles of the Self-Made Man a youth who earned his living at four should be a millionaire at fourteen and president of the United States at twenty-one.

Strange that the Constitution does not sanction presidents at twenty-one! But after all, perhaps it does not much matter, for there seems to be some mysterious hitch between promise and fulfillment. Youths qualified for the presidency at twenty-one are shy of coming forward. The soil that starts these prodigies so fruitfully fails to bring them to maturity. And with the permission of the Self-Made Man we put forward the hypothesis of pauperism to account for this failure.

If charitable giving be the cause of pauperism there is some basis for this hypothesis. There is giving, and a great deal of giving, among these classes. It would puzzle the Self-Made Man's children to find among them much that is given, or in fact much of anything tangible, to be given, received, or held. But of giving there is an amount unprecedented in the experience of the Self-Made Man; for these people are constantly giving their all.

Anyone coming to a study of this subject for the first time cannot fail to be astonished beyond measure at the generosity of the very poor. They seem to be ready to share their last loaf of bread and last pound of coal, not merely with their own flesh and blood, but with their neighbors, and with the stranger within

their gates. No member of the well-to-do classes would think himself justified in making equivalent sacrifices for his own family or his dearest friend.

But no one can trace the creation of any pauperism to these examples of self-sacrificing giving. They do not in any sense belong to the Charity of Condescension. They are loans, to be repaid, not by Shylock measure, in kind and at a certain time; but in spirit. "I may need it just as badly myself some time;" "he'll do as much by me or some other poor fellow when he's able,"—these are the ideas governing the apparently reckless generosity of these people. And very rarely is the moral obligation of this implied contract of honor repudiated.

It must humble many a man of high self-esteem to find how greatly these people surpass him in the lore of the kingdom of heaven. It might well give him further food for thought to note how wisely this mutual help is made to serve the ends of wise charity. It is almost pure help to self-help. Every acceptance of a gift includes acceptance of a moral obligation; every fulfillment of one of these obligations binds some one else in bonds of honor. The whole system acts and reacts with the one purpose and result of putting off to the utmost the bitter day which shall force resort to the Charity of Condescension.

And yet to a large proportion of this class the latter comes steadily on with the relentlessness of gravity. What avail heroism and high resolve and desperate diligence in an endless contest with the blind material forces? The strength and aspiration of human life is a fleeting glory; the inertia of matter is eternal. Youth fades and strength fails, the sternest resolve

begins to weaken and the black pall of despair begins to settle down. To paraphrase Whittier,—

When hope is lost, when courage dies,  
The man is dead,

—dead to all possibility of helping and uplifting this poor World that so sadly needs such help as his might have been. The Charity of Equality could not or would not give that this man's hope might be kept alive within him; it now devolves upon the Charity of Condescension to grant him,—all she usually gives,—a living burial.

Here, indeed, we have pauperism, as suspected by the Self-Made Man. But the pauperism does not explain the failure of these people to win wealth and position; their long, desperate struggle for a livelihood against great odds, it is, that finally issues in pauperism.

The Self-Made Man says obstacles only spurred him on to greater effort. This may be true,—of some obstacles. It is rather exhilarating to step over a log or leap a fence; a mountain range is a different thing.

The Self-Made Man believes that any class blessed with such an early start in life as these people, should develop prodigies of material success. Its failure to do this indicates, he thinks, something wrong.

But we may remember that there is an alternative theory — that of the philosopher previously mentioned. *He* thinks that a long period of adolescence for training and education is essential for the best development and strength and progress. Of course we could not give his opinion the weight attaching to

that of the Self-Made Man, but now that our examination of the facts has raised some difficulties in the way of the latter, we may be allowed to see if the philosopher's theory at all fits the case.

The very poor wage-earners present an example of a class robbed of childhood. The long period of development, of training, of education, of strengthening for future struggles, is in their case simply left out. The funds of the Charity of Equality, upon which the children of better circumstances draw for these purposes, are for them almost non-existent. They pass, like the lower animals, from their mothers' breasts to the ranks of bread-winners.

The fighting is grim in the bread-winning ranks. They are facing the heaviest artillery of the age, the most accurate small-arms, the most thoroughly-trained soldiers, the greatest captains, the most efficient commissariat. And they,—they have the arms God gave them, though not knowing their proper use; they have no training and no leaders; and their day's supplies are what they can win by their day's fighting.

Truly an inspiring opportunity to learn the art of war. The Self-Made Man is confident that in such close proximity to its highest development he could soon master all military science! But dead men are not apt pupils, and soldiers slain on the battlefield have small chance to learn the skill that was their undoing. In fact, the battle is decided against these unfortunates before the fighting begins; their case is already hopeless,—if they only knew it.

Yet this whole class is fighting just such a fight. They begin life's contest unprepared and unprovided, and with all the odds against them. As a class they

are doomed to unbroken defeat; the severity of the struggle is such that they cannot possibly sustain it. If a few of them meet with some trifling success, or are able to leave their ranks and join the opposing army, this has small effect on the wide front of battle.

Thus irrational hope is all that keeps these workers from pauperism. Not seeing that their case is hopeless they toil and struggle and dare and aspire, and will not give up to die. Yet their lack of help from the Charity of Equality has practically settled their fate in advance. The withholding from them of the means to prepare for successful fighting has started a relentless pressure before which they must in the end give way.

The ranks of this class contain, we believe, some of the best character-material to be found on this mundane sphere. The strength of spirit, the courage, the diligence, the intelligence which they must possess who can grapple with the difficulties of their environment, and live an honorable life, and rear an honest family,—as thousands of them do,—or even raise themselves a few steps in the material scale,—as many of them do,—or actually mount to an honorable place among society's right-hand men,—as a few of them do,—no nation can afford to scorn or neglect.

The Charity of Equality can, if it will, save this priceless character-stuff to life and hope at a cost that is trifling compared with the mere funeral expenses if it be allowed to die. Restore to these people their childhood and youth,—comfort, encourage, cheer them; arm them, train them, teach them; let them go forth to battle adequately provided:—they will not fail to furnish their quota of conquerors. And yet

men who might apply the Charity of Equality to their needs find their principal comfort in the knowledge that the Charity of Condescension is ready to conduct the funeral if worst comes to worst.

We have seen that the large giving that goes on among these people is not pauperizing in its effect,—far from it; it is a wise mutual helpfulness toward self-help—(or, perhaps, we should rather say, a desperate mutual assistance to escape the blight of the Charity of Condescension). But outside of this mutual assistance Charity has little to do with them. They shun—as does every sane person—the Charity of Condescension; the Charity of Equality hardly shows its face to them except as seen in their own mutual efforts. Is this withholding pauperizing these people?

Strictly speaking, we cannot say it is; we are considering in this chapter only those who have not yet gone so far. Yet it is evidently preparing the conditions for their ultimate pauperization. Their lack of preparation for the bread-winning struggle plunges them into a life of hopeless poverty, and the relentless pressure which such poverty generates is a part of the pauperizing process. The terrible strain racks and bends a man's powers of endurance, but he desperately holds out; he is self-supporting. But the strain never ceases; it strains more and more and bends further until hope breaks down, and the man is a pauper. The pauperizing process is now completed, but it began when first the strain was applied.

“But this strain can be triumphantly resisted, and a fine character gained in the struggle,” says the Self-

Made Man. Sometimes, no doubt, but not generally; on the average the strain is a breaking one. We invite the Self-Made Man to test his faith in his doctrine by subjecting his children to this strain; we stand ready to rejoice with him over their success if they come out triumphant. But his doctrine and practice fail to agree here. The fact remains that on the broad average, and leaving out of account freaks and heroes like our Self-Made Man, the strain is the triumphant force, and is sweeping the forces that oppose it slowly but relentlessly back. Gravity is drawing this stream of precious humanity to its destruction: demons might laugh to see frantic attempts made to stop the glacier-like movement by forcing the children into the ranks at ten, or eight, or six years of age.

Manifest destiny is never cajoled by a sop; plenty can never be secured by eating our seed-grain. The training and nourishing of the children are the seed-grain of prosperity for any class; to turn them to bread-winning in tender years will assuredly blight the harvest of the future. And a nation's workers are its seed-grain; to let the hope that makes them men perish within them is to trample under foot the growing crop that must supply us with both seed-grain and bread in the coming years.

## CHAPTER VII.

### THE MEDIUM CHARITIES.—THE GIFT OF SEED-GRAIN.

IN the very beginning of this chapter we are confronted by a large and important class of charities that obstructs our classification. This class consists of the educational charities;—our universities, colleges, academies, institutes and technical schools, where education is furnished at a fraction, and often a small fraction, of its actual cost. Let us stop a moment to consider some of the anomalies which these charities present.

According to all reasonable analogy the educational charities should certainly belong to the Charity of Condescension. Their funds are usually given by some rich man or woman for the purpose of defraying part of the expense of education for those who are unable or unwilling to defray all of it themselves. These funds are practically all consumed by persons entirely unknown to the giver, and who have not the slightest claim of relationship or friendship upon him. He is therefore certainly entitled to be as condescending in his attitude toward his beneficiaries as Mrs. B. herself.

Yet, as we all know, he condescends not at all, or if he do, he has no audience. His beneficiaries have no self-abasement to proffer him in return for his condescension. They consider themselves quite as good as their benefactor, and apparently in many cases think the charity his funds maintain is deeply indebted to them for accepting it.

Yet a curious distinction is current in the popular mind regarding such institutions. Those which charge nothing whatever for the training they dispense are considered charities, and a certain stigma is supposed to attach to their beneficiaries. On the other hand those which make a nominal charge,—say one-third to one-half the cost of the education they offer,—are looked upon as praiseworthy but struggling business ventures, to help which, by entering their classes, is a delicate testimony of good-will.

It is probably unnecessary to follow this subtle logical discrimination further than to remark that it is too weak to support a very strong stigma; and accordingly we find the stigma in such cases lacking robustness and incapable of doing serious harm. But the reason the beneficiaries of educational charities decline to meet condescension half-way concerns us deeply. We should be most glad to keep some other present and prospective charities from drifting into the ranks of the Charities of Condescension.

The most important reason, we think, is simply that the results of the help dispensed by the educational charities are almost invariably beneficial. Prejudice cannot prevent the public esteem from ultimately recognizing a real and solid benefit. A spectre stigma is soon forgotten. The stigma attaching to the acceptance of most forms of the Charities of Condescension maintains a real existence because it is so often justified by the facts,—because a large proportion of such charity *does* pauperize. But educational charity never pauperizes; to attempt to fasten a stigma upon it would be futile.

But to go a step further back, the reason the results

of the educational charities are always beneficial is to be found in the fact that they conform precisely to the general rule we have accepted as limiting the wise charities,—they help only toward self-help. Further, they compass this by giving, as we have advocated, help to future effort only,—help which *cannot* be used as help to idleness. They give seed-grain which, wisely cultivated, will give a bountiful future harvest, but from which no present bread can be made.

A further advantage which educational charities possess which tends to keep them out of the ranks of the Charities of Condescension, is the fact that the rich are drawn to accept their gifts because only thus can they get the very best education. But where the rich are accepting the same charity by their side the poor recipients naturally do not feel greatly abased by accepting it also. A reason of no great moral weight, perhaps, but human nature is not to be entirely ignored. The World is to be commended, rather than blamed, for being quick to shape her systems to deal respectfully with human foibles.

We may well drink deeply of the wisdom embodied in the educational charities. Purely Charities of Equality, though springing from the ground which grows mainly Charities of Condescension, always helping, never pauperizing, the educational charities are, in their principal features, almost ideal. They cover only a comparatively narrow field; to spread their excellencies over the whole field of human needs we may well accept as the present limit of our aspirations.

The field in which we now proceed to investigate the results of charity consists of our American middle

classes. The charity dispensed here is almost exclusively the Charity of Equality; Mrs. B.'s charitable doles are very rarely large enough to come in this class.

It will, of course, be understood that this phrase has no reference to the "middle class" of recent English literature, which means the class next in position to the aristocracy or nobility. In fact, no reference is intended to social position at all; our "middle classes" are simply those whose incomes and whose gifts to the Charity of Equality are intermediate in amount between those of the rich and those of the very poor.

This is at best a highly indefinite class, and little can be said in the way of defining it further. But it may help toward forming a satisfactory conception of it to say that we mean to take as its lower extreme those workingmen who are not without command of funds, and who are making progress in the world; while at the upper end we think that this class does not properly include any whose wealth is so great as to make them willing to spend it in pure display. Between these extremes we undoubtedly include a highly miscellaneous company; but one sufficiently homogeneous to enable us to make certain important affirmations apply to the whole. These are:

- (1) They have the means to prepare their children, to some extent at least, for the responsibilities of mature age; and use such means with a clear understanding of the necessity of such preparation.
- (2) They have a strong sense of the inadequacy of any provision they can make for their children unless the children supplement it by earnest effort; and they

uniformly inculcate the duty and necessity of regular work and determined striving.

That is to say,—to put it in the vernacular,—they have something, and they have something to get; and the gap between the two is not so great as to make it seem hopeless to bridge it. And practically our whole middle class is vigorously employed bridging this chasm, each for himself,—weighing the means in hand against the end desired; adding his personal energy to the means to make it equal to the end; using the newly-acquired end as a means to a further end; and pushing on in ever-widening circles to new activities. Thus is supplied the main motive power which moves the world forward.

In this manner the Charity of Equality among this class, through the education and training for fruitful effort which it affords the children, becomes the starting-point for a vast mass of the forces of social progress.

Now it is of course easy for any observer looking over the field of his acquaintance to cull a choice bouquet of marked exceptions to this cheerful picture of frugality and thrift. We know perfectly well that youth is thoughtless; that a plentiful crop of wild oats is observable in almost any social circle in our middle classes; that there are black sheep in every large family group; that anyone who wishes to look mainly on the dark side can easily make himself sick at heart with apprehension. Of course any such general statement as we have just made must be covered over deep with qualifications to make it impregnable.

Nevertheless we maintain, and we believe careful

consideration of the facts known to him will convince anyone, that our statement is, broadly weighed, quite correct. The middle one of the strata into which we divide society is the region in which we find practically universal preparation for work, universal activity, universal hope, universal ambition. We find here,—personal misfortunes of course excepted,—no dull despair such as shuts a man completely away from the world of hope; we find, on the other hand, no satiety such as makes earth's riches a mockery and life a dull round of ennui. Life is in this class, so far as economic conditions control it, mainly rational, sane, wholesome; its normal and ordinary course teaches and illustrates the need of preparation, the necessity of effort, the cheer of progress, the weight of responsibility.

This view may strike many persons of large experience as too optimistic. Very likely many observers who knew it well would say that the dominant note of our middle class is business anxiety and nervous apprehension of financial misfortune. We cannot deny that this note is a prominent one. The fearful spectacle of pauperism and suffering among the very poor, always before their eyes, is enough to unnerve the men of the middle class, particularly its lower portion,—and it does largely unnerve them. Many a representative of the more prosperous portion, also, of this class comes into frequent close contact with the distressed poor, and, being less thick-skinned than our Self-Made Man, cannot avoid seeing that their suffering is more undeserved misfortune than merited punishment,—that circumstances due to no fault of his own might plunge him into similar

misery. And, as we all know, concrete instances of just such plunges are by no means scarce. All this generates a deep-seated apprehension of coming trouble, which too often stalks like a spectre through the lives of people of our middle class. It is undoubtedly a great nervous drain on the strength of its victims, and interferes lamentably with sane judgment and power for hopeful work.

Nor is the menace of bitter poverty the only influence counteracting the wholesome intermediate situation of our middle class. The class merges insensibly at its upper margin into that of the very rich, and its members are constantly striving to cross the line,—and succeeding, in considerable numbers. And not only when they cross, but by anticipation for a long time before, do the standpoints, the ideals, and the prejudices of the very rich become theirs by adoption. What these are, their merits and demerits, we shall consider in the next chapter; but they are certainly not in exact harmony with the ideas and practices which we have hailed as preëminently the glory of the middle class; and the effusive worship rendered them by many still without the border of this materialistic Promised Land detracts seriously from the strength, and still more from the sanity and dignity of the middle class.

But making every reasonable allowance for the gravity of these inroads into its strength, the middle class has yet millions who have neither trembled at the lash of Hunger nor bowed the knee to Mammon. These, we are convinced, are its dominant influence, though not at all its noisiest portion. These look upon material wealth as a means to be always used to

some good end; and more particularly upon the wealth they have to spend upon their children, or to leave to them, as a fund for education, and for preparation for life-work. Their children in general accept the same ideas, and are ruled by them in large degree, though youth can never give to advice the weight maturity is forced to give to experience. But in due season experience demonstrates to the children the advice which they had before accepted but had not fully valued, and they come to look upon the money they have received from their parents as a trust fund for the education and training of their children. Thenceforth they stand where their parents stood, and the ruling idea goes on with scarcely a break in its influence.

Comparatively rarely is this rule ignored. An accession of prosperity which they have earned easily turns men's minds to the indulgence of some pet desire; on the other hand such an unhallowed whim is not often allowed to break into the inherited funds they consider semi-sacred. The effervescence of youth indulges itself freely with its first self-earned money; it requires a reprobate to squander with similar unconcern the money his parents have set apart for his education.

In speaking thus in generalities of what is really a mass of particulars one can hardly avoid a sense that every affirmation needs a half-dozen qualifications. At every statement he sets down, a shoal of refractory examples rush into his mind, and demand a retraction. Yet the truth, if it is to have any practical value, must be freed from the annoyance of these insect-swarms of exceptions, and set apart by itself. A main truth

discovered and followed leads somewhere; the exceptions are simply devices to draw us off from the main road and lose us in a beg.

Now, exceptions to the contrary notwithstanding, our middle class is a noble exemplar of the true principles of charitable giving and receiving. It receives immense gifts from the Charity of Equality without being pauperized by them; it makes a wise use of them; it increases them and passes them on. It so manages these funds that its children have a good preparation for effort, and are furnished with a rational goal toward which to strive. Its conditions generate and justify hope, cheer, and ambition; and its most patent result is an almost universal activity, reasonably well directed and highly fruitful.

We are certainly justified in accepting this state of things as including much that is good enough to be worth extending to the other strata of society.

We understand, of course, that this sort of talk about the class of moderate prosperity brings a choleric purple to the face of certain persons who criticize its characteristics very vigorously from the standpoint of æsthetics. A controversy upon this point, however, is entirely outside the ground of our present inquiry. So far as such strictures are just they spring mainly from causes not economic. A sane and wholesome economic status is certainly the best soil in which to grow æsthetic as well as ethical reforms. Our prosperous middle class may be hopelessly vulgarized, but we doubt if its susceptibility to the æsthetic propaganda would be sensibly increased by a return to disease and dirt. The clashing discord

which these writers seem to consider inevitable between their ideals and economic progress, we are convinced is mythical. Surely no legitimate gratification of the æsthetic nature can require the cherishing of wrongs and enormities. But if our apostles of culture really come to wish for the retention of economic abuses for their æsthetic value we fear they are doomed to ultimate defeat.

A whole class of annoying misconceptions may, we think, be alluded to briefly while we are on this subject. People in possession of lofty ideals assume that lowly questions are their natural enemies. They are consumed with religious ardor, and will not even glance at questions of cookery; or they yearn to eradicate the social vices of our cities, and sanitary plumbing may become a lost art so far as they are concerned. Yet a good meal is a step toward religious attainment; and every triumph of sanitary science and its resulting cleanliness leaves vice a smaller hold on life. We must build the structure of life by beginning with the foundations, and he who decides to begin higher up is simply building in the air. To provide reasonable and satisfactory ways and means of ordinary life may seem a sordid aim, but it is fertilizing and smoothing the soil from which the great achievements spring. And great things cannot spring from any other source than the common soil of Mother Earth. To allow this soil to remain rocky and brier-grown is to resign the hope of future fields of grain and burdened fruit-trees. To solve the homely problems is a great step toward solving the higher ones; to attempt solution of the higher difficulties while the lower ones still balk us

lands us in a fantastic and unreal dream, and generates unnumbered confusions and absurdities.

So in attempting to work toward a modest ideal of life and labor for the people as a whole, we assume that we are in partnership with all more lofty aims, and are indirectly working for their ends. But our immediate objective point is wise economic conditions, and we should refuse to have our judgment on this point befogged by a charge that the economic class we approve does not show ideal moral and æsthetic results. Neither does the very poor class, nor the very rich; they will show them the sooner the more quickly they are purged of their present enormities. And the morals and manners of all classes will be benefited by a readjustment which will prevent the vices and failings of one class from intensifying those of the others.

## CHAPTER VIII.

### THE MAJOR CHARITIES.—PAUPERIZING BY EXCESS.

WHAT we have called the Major Charities are only to be studied among the very rich, and they invariably belong to the Charity of Equality. No person who gives such sums as we are now to consider ever thinks of assuming an attitude of condescension. No person who receives a princely fortune ever considers himself as being put under an obligation thereby.

We confess to some diffidence in undertaking to investigate the workings of charity in this particular field. Our acquaintance with the subject-matter of our investigation is not so intimate as we could desire. Were we to be restricted rigidly to the facts of our immediate personal knowledge this chapter would probably remain unwritten. The millionaires of our acquaintance we can count on our fingers without any difficulty, and of these not one even claims to represent that highly select circle of fabulous wealth, the apex of our social pyramid, which we so greatly desire to investigate.

But our needs have been anticipated. The enterprising journals which ornament our fourth estate have for some years past been in the habit of seeking out information as to the characteristics, thoughts, modes of living and surroundings of these aristocrats, and disseminating it through the medium of their columns to the open-mouthed world below. We cannot claim to have digested all of these revelations as

they appeared; still, with what we have read ourselves, and what our friends have revealed to us, our share has been pretty amply made up. In fact, we have received more information on this subject than can possibly be reliable, and in trying to picture, from this superabundant material, the state of affairs really obtaining among this class as to charitable giving and receiving, we shall need to exercise our best critical sagacity.

But for the purposes of our investigation we do not need a microscopic knowledge of our rich receivers of charity. We are not seeking to draw a minute portrait of one of them, after the manner of our fin-de-siècle fiction. We shall not deal with his bearing toward his butler, his taste in dress, or the geniality into which he relaxes when secluded within the bosom of his family. Of course knowledge of this sort is highly desirable and ornamental, but it is not indispensable; we shall proceed as best we can without it. Asking pardon in advance for the improprieties which we may commit by reason of our unacquaintance with the diviner air of these sacred precincts, we beg leave to survey them in imagination. We shall try to keep on safe ground in this investigation by drawing our important conclusions from facts which have long been tolerably familiar even to the outer world, and which are not likely to be challenged.

The word “millionaire” comes easily into one’s mind as describing the class now under examination, and it is not altogether misleading in the general idea it conveys. We think, however, that the characteristics which are usually associated in the popular mind

with the idea of a Millionaire are generally developed long before a man's possessions approximate a million dollars. We would therefore define the class whose charities we are about to consider as "those popularly regarded as Millionaires."

One thing we must not fail to remember is, that a large portion of our Millionaires are typical self-made men. They are simply representatives of our middle class who have by exceptional ability risen (or strayed) out of their natural environment. But their influence upon the standing of the Millionaires as a class is a typical middle-class influence. They are active, pushing, ambitious; using each end gained as a means for compassing a new end; accustomed to moving their objective point along before them as they progress so that it is always a safe distance ahead of them,—in short, they are exactly like the middle class as we have found it in their capacity to expand into new activities.

But this expansion is mainly quantitative,—that is, from one amount of money to a larger. The Self-Made Man is too thoroughly trained as a war-horse of commercial life to assume easily ideals whose value is unknown on 'Change. He may leave his money to found a university or to carry on some other charity, for he is very likely to think it good form to carry some such reserve ideal in his mind for use in that mythical future when he "has time." But he usually dies in harness, and leaves the problem of the ultimate use of his money for his children to wrestle with. And in addition he usually leaves them the money itself.

Here, of course, is where the case comes within our field of investigation. While the Self-Made Man is disbursing money amassed by his own endeavors,

whether we like his use of it or not, our lips are sealed to criticism by our own accepted principles. But now it is a charitable gift in the hands of his children, and its effects for good or for evil are of vital interest to us in the line of our inquiry.

An important change in the principles controlling this money is now observable. The Self-Made Man began his career by having something and wanting something else. But his children begin their careers by having almost every purchasable thing that the mind of man could desire; and there is danger that, unless somebody have inoculated them with wants of real moving power, they may not wish for anything else intensely enough to work for it.

But have they been inoculated with desires that will move them to effort? and if so, what are those desires?

In a large proportion of the cases, far more numerous we think than is generally supposed to be the case, the sons of the self-made men have caught the infection from their fathers, and are carrying on their work in the same lines and with the same ideals. The result of this is satisfactory enough in one respect,—the son is saved from stagnation, his powers are developed, he follows his father in the paths of self-reliance and sustained activity, and—the fortune the latter left keeps on growing. But this is simply extending the money-getting ideals of the first through the life of the second generation, and leaves the same old problem of spending the money to be wrestled with by the grandchildren. The ideal of endlessly laboring to increase wealth which is already large cannot in the nature of things be satisfactory. Sooner or later, in one generation or the next, its possessors turn from the task

with loathing; the business of making and caring for their money is entrusted to hirelings, and we find new ideals controlling its disposition.

Think of the issues hanging on the choice of these ideals! Here is a young man, undeveloped, unproved, a stranger to responsibility, fallen heir to a fortune of multiplied millions. Shall he use it as seed-grain? Imagination cannot grasp the infinity of rich harvests that may follow. Shall he spend it in riotous living? Or shall he feebly halt undecided between the one course and the other, like a richly-laden ship among the rocks with no hand on the tiller?—Was ever so magnificent a truncheon committed to such feeble hands? Many an event that looms large in the world's history sinks into insignificance beside the importance of such a decision.

We do not need to be reminded that at this parting of the ways many have chosen nobly. Many magnificent gifts of money have been dedicated by their legal owners to the service of the race; and the possession of a fortune has in many a case made possible the dedication of a noble life to noble ends. And such instances are not exceptional; on every hand the tremendous and constantly-growing endowments of our educational and charitable institutions are reminders that the wealthy are coming to look upon their riches as carrying an obligation,—and are nobly redeeming their bond.

Yet, although we have not the slightest desire to underrate the contributions to such sources from rich beneficiaries of the Charity of Equality, the most conspicuous instances of magnificent generosity that we are able to recall are those of men who had themselves

made the money they gave. Our self-made men may not be models in every respect, yet they have shared the common lot, and are not unlikely to have keen and deep insight into the common need. We find that their ranks produce many who know the true seed-grain of self-dependent effort, and are not afraid to give the fruit of their life-long toil to purchase it and dedicate it to the uplifting of the world. The gifts to education of Girard, Hopkins, Peabody, Cooper, Packer, and others of their kind, should make us hesitate before again speaking irreverently of the Self-Made Man.

This is not said in the way of complaining of the Millionaires-by-charity. We have it on good authority that their gifts to the cause of education and to other worthy movements have been extremely generous, and have answered all the requirements of good form. But it is likewise evident that these gifts have not in the least strained their resources. However praiseworthy and acceptable they may be they are not the sort of gifts that reveal the givers' hearts. We are seeking now to find what ideals these Millionaires have chosen; but such gifts as these do not indicate the devotion belonging to an ideal. Measure them by the gifts of the noble group of self-made men we have just named, and it can be easily seen that, however imposing the gifts in themselves may be, we must search further for the givers' ideals.

That a large proportion of our Millionaires have made no choice of ideals, and in fact have never consciously come to a parting of the ways where choice was necessary, we think is reasonably certain. They would probably be disinclined to apologize for this.

Ordinary men of our middle class, they might say, do not have to strive after high-flying ideals to be accounted useful citizens; — why should they? Have they not a right to eat, drink and be merry, and to seclude their leisure in the most select circles of society?

But an ideal, in our view, need not be high-flying at all; its function is simply to draw out a man's earnest effort. For the ordinary middle-class man the task of earning a living does this very fully and with very good results. He amply justifies the charity which was expended on his rearing and training if he gain an honorable living for his family, and properly rear and train his children. But our Millionaire-by-inheritance has had this work done for him, and the charitable fund which he inherits has immense possibilities over and above the most ample provision for his children. To make of this vast fund as meritorious use as our plodding middle-class man has made of his it is necessary to choose an ideal, and one sufficiently high-flying to evoke our Millionaire's strenuous endeavors. His right to eat, drink and be merry is not disputed by the World:—(she is, however, thinking very intently on this subject). But it is the right of a pilot to sleep while a richly-laden ship committed to his care drifts aimlessly; what shall we say of the right of anyone to entrust such a ship to such care?

It may very reasonably be pointed out that beside the Millionaires who devote their lives and money to noble purposes, on the one hand, and those who eat, drink and are merry, on the other, there is a considerable number of very rich men who are active in cultivating the refinements of literature, science, art,

music, etiquette, and even occasionally politics; and who, while not, perhaps, bearing a banner with the device *Excelsior*, really devote to their hobbies a very fair amount of energy. It is this division of the ultra-rich that figures quite largely in newspaper and periodical literature as contributing to our American life a sadly-needed element of ease, breeding, tranquillity and quiet refinement, the fruit of their release from sordid cares; — an element, say these scribes, which has been all too nearly extinguished in the mad, engrossing, dehumanizing rush of our money-getting. The ample financial provision at the disposal of this circle has enabled them to be as an ark of refuge for the preservation of the traditions of lofty, serene and refined leisure from the tumultuous flood of democracy; and to cherish the precious seed until such time as the waters shall subside and an established order of nobility shall grow up among us.

It is certainly a great advantage to be relieved of the sordid cares of earning a living,—or at least so it seems to the individual relieved. But since for every person so relieved a double burden is placed on some other person the advantage evidently depends largely on the point of view. Mrs. B. did not at all approve of the efforts of her protégé to cultivate quiet refinement by retiring from the sordid scramble for a living, and were the privilege of criticism granted to her protégé he might as little approve of a similar effort on the part of Mrs. B.'s circle. As we hold no brief for either Mrs. B.'s circle or that of her protégé, we shall try to judge the case from a neutral standpoint —the standpoint of the general welfare; and from this standpoint the crucial inquiry evidently is, What doth

this refined and elegant leisure profit society as a whole?—what amount of time and of seed-grain are we justified in spending to secure it?

Looked at in this way, it can easily be seen that considerations of air, manner, bearing, do not go to the heart of the question,—they do not constitute a harvest which justifies such an outlay of seed-grain, or which indicates the expenditure of serious and strenuous effort. Allowing generous credit for all that can well be claimed in favor of this charmed circle of the ultra-rich,—that their gilded leisure has enabled them to attain to ease, breeding, distinction of manner and refinement; that we should be loath to have these qualities vanish from the world; that the strenuous activity of business life is not congenial soil for their development,—it is yet evident that the fruits they have shown us are not commensurate with their opportunities. We are drawn to press still further the questions, But what ideal really *rules* their efforts? and, What use has this ideal led them to make of their tremendous store of seed-grain?

We submit the following answers to these questions:

(1) The best efforts of our Millionaires, so far as they are not devoted to the activities (or passivities) we have already considered, are mainly devoted to the ideal of Social Standing; and (2), The charitable funds in their hands, so far as we have not yet traced their destination, are principally used in attempting to compass this ideal by means of a Competitive Display of Wealth.

These are rather harsh terms. No doubt in recognition of the refined speech characteristic of the social circles we are now considering we should attempt to

soften and refine them. In truth we would not have it thought that we picture the Millionaires as striving to outdo each other in the game of piling up pyramids of double-eagles in front of their Fifth Avenue residences. What we mean is simply this: (1) That money spent to secure social standing is not spent for some concrete desideratum, but for the effect the expenditure produces upon other persons' minds,—that is, it is spent for display; and (2) that this effect is not produced by any positive property in the display itself, but by its exceeding some other display,—that is, it is competitive. In other words, Social Standing consists, not in being at a certain height, but in being above other persons; and its devotees seek to win it, not by meeting certain requirements, but by outdoing other devotees.

This is truly an expansive ideal. He who blazons the device Social Standing on his banner is at once emancipated from the mean-spirited maxim, Man wants but little here below. Henceforth, the earth, with all its fulness, is what he must seek. Accepting this ideal we can understand the perplexity of the World over her Charitable List, and her inability to pay living wages to her workers after she had tried to give each of her favorites the means to surpass all the others. Having come to an understanding of the meaning of Social Standing and the path by which it must be sought, we need no longer ask, What occupies our Millionaires?—what have they done with their seed-grain?

But, with deep submission to the Court—of Public Opinion—may we now be permitted to ask a few other questions? What significance has the pursuit of this

ideal in this manner? Is it a meritorious and wise use of charitable funds? To what extent does it benefit society as a whole? How does it affect its immediate beneficiaries:—does it increase their ability and fortify their determination to help themselves? Is the World justified in pruning her minor charities so mercilessly in order to devote such vast sums to the pursuit of this ideal?

An answer which is often made, either directly or by inference, to such queries as this, may be freely summarized as follows: Man cannot live by bread alone. It would be most unwise to limit the expenditure of the rich to purely material ends. The importance of the indirect service their expenditure renders to art, literature and science, social aspirations and ethical ideals, is hard to overrate. The money spent for a social gathering, may, to a miser, seem a pure waste, but would you try to suppress social life? The cost of an opera for one night would, of course, run a soup kitchen a whole winter; the stone-carving on a Millionaire's residence would erect model houses for a dozen workmen's families;—but can you allow no spiritual value to music, no uplifting power to the perception of the beautiful? Are they not, ultimately, richly worth their cost? It is not the material things for which the money of the rich is really spent, but the immaterial influences that accompany them; and these immaterial influences, the spiritual life of society, flow out freely from their source to enrich all who can receive them.

To this very familiar line of argument we make answer: It is very true that it is the immaterial goods that we really seek; the material articles for which we

spend our money are but means by which we hope to obtain spiritual values. If it be true that the lavish expenditures of our Millionaires do yield us these spiritual values, while the scant outlay of the poor laborer goes to purchase only material ends, then it is indeed necessary for the World to allow the Millionaires their luxuries, even if she have to pinch still closer the poor man's supply of bread and coal. We can better afford to double the World's charitable allowance to the rich than to lose the things that lift us above the brutes.

But do these immaterial riches depend in any sense upon the luxurious expenditure of the rich? We think not. Let us see.

We must all admit that social life is a priceless good to the human race; we would not do anything to suppress or even to weaken it. But here we have a "society" function costing, say, one hundred thousand dollars, put forward as tending to foster this social life. Can we accept this as an expenditure for the promotion of the true social life of the race?

Obviously, no; there is no relation between the expenditure and the supposed result. Would an expenditure of only ten thousand dollars do only one-tenth as much for the promotion of social life?—an expenditure of ten dollars only one-ten-thousandth as much? Manifest absurdity; the smallest sum not unlikely accomplishes ten times as much good as the largest. There is evidently no relation, unless an inverse one, between the magnitude of the expenditure and the magnitude of the benefit.

What then does this money accomplish?

Money spent on such an entertainment is in reality

simply spent on competitive display for Social Standing. It is spent *on* an entertainment, and *at* this entertainment some social life is doubtless manifested. But the expenditure has no tendency to foster social life; on the contrary, it tends to choke it, to kill it, to make its manifestation expensive to the point of prohibition. An exhibition of social life at an expense of one hundred thousand dollars is a notice to competing entertainers to beware of having a social occasion costing less money. Every successive instance of the sort makes it less possible to have social enjoyments at slight cost. The purpose of the competitive social display is reached when it comes to be understood that a certain degree of expensiveness is a *sine qua non* for a social entertainment. Then social life under this degree of costliness is, within the circle affected, strangled to death;—killed by the money supposed to be laid out for its benefit.

It is substantially the same with all forms of intellectual or spiritual life;—the extravagant use of money in their service binds them in bonds to the spirit of competitive display. Instead of being used simply to command the necessary material conditions, the money is used to make these conditions elaborate and expensive. Music, art, architecture, the drama, even religion, are cumbered by a standard of costliness which is positively deadening to their free expression: —they must all pay tribute to the spirit of display before they can deliver their message to the mind of man. Small wonder that the message is so often inconsequential.

The extent to which lavish expenditure really buys for us the immaterial possessions can be best appre-

ciated by an historical comparison. Think of the appointments of Shakespeare's stage as compared with those of our modern theatres, and then reckon the true command of money over dramatic power; or place the cathedrals of Europe by the marvels of the architecture of to-day, and say to what extent the money poured out for these latter structures has availed us. Modern art is a vigorous growth, but so was that of the Middle Ages:—and the spiritual triumphs even of our modern art have had no financial godfather. Religion to-day is still an elemental force, as it was on the day of Pentecost, but we do not seek its loftiest messages in the sanctuaries whose luxury is too rare to be shared with strangers. It is the same wherever we look,—money dedicated to display is simply absolutely powerless to buy the triumphs of the higher life; it can only buy crushing loads of materialism which hang like a millstone upon all the nobler aspirations of humanity.

It cannot be denied that in some cases money does hold the key to the intellectual activities. Much of the loftiest musical expression demands as a necessary condition of its existence that large sums of money be spent for costly instruments and apparatus; many of the noblest forms of achievement in art and architecture are expensive by the law of their being. Nor can it be denied that display spends large sums on just these forms of art and architecture and music. It might seem to be a fair inference that here at least the lavish expenditure for social display confers a spiritual benefit. But grapes do not, cannot, grow from thorns, nor figs from thistles. The ideal of Social Standing is exclusiveness, and acts done in its service cannot

possibly serve the spiritual kingdom, whose ideal is inclusiveness. Display may spend money like water for the paraphernalia and pomp and circumstance of art, but under her bidding art grows constrained, and her very costliness checks her inspiration. Such expenditure is not a service to art; it is an attempt to bind art to the service of display. But art, like the other fruits of the spirit, must be free, or she will not render true service. To bind her, even with chains of gold, chills her into torpor.

Thus upon looking closely into the matter we are forced to the conclusion that the lavish expenditure of the rich upon the ideal of Social Standing cannot possibly, even incidentally, confer spiritual benefits upon society. Spiritual good does not come by inadvertence or neglect; we cannot cheat the forces of materialism into pulling the chariot of the Spirit. The expenditure of the rich takes its ultimate effect from the ideals that animate and guide it, and to search for some good work into which it may have strayed or blundered is a pure waste of time.

But, to return again to our recent starting-point, what shall we say of the devotion of vast wealth and strenuous effort to this ideal of Social Standing pursued by means of competitive display?

Let us try to apply our minds closely to this ideal of the Millionaires for a minute, and see just what it involves,—what its devotees attempt to do, and what they gain when they achieve their desired results.

Obviously the immediate object of each one is simply to surpass some or all of the others. Let us take a concrete instance,—an extreme one, we shall doubt-

less be reminded, but one that clearly reveals the principle involved. Mrs. B., we will say, plans, and issues invitations for, a social function which is to cost one hundred thousand dollars,—and an infinite amount of trouble, forethought and inventive genius.\* Fortune smiles upon her, and her designs are successful in all details,—her party is the most splendid of the season, and she is overwhelmed with congratulations. We, in our outer darkness, may doubt, but she feels in her inner heart that such a result is richly worth its cost.

But now suppose her rival, Mrs. Van A., on the same date issues invitations for a function which is to cost twice as much, to be twice as noteworthy in all respects as Mrs. B.'s, and is set for the previous night. Mrs. B.'s attempt upon a stroke for Social Standing is now entirely thrown into the shade, and disappointment and bitterness of heart are the result. Her money and effort buy nothing,—indeed, less than nothing:—a negative result.

Evidently her lavish expenditure was inadequate to compass her result without coöperation, and the coöperation needed was simply the non-appearance of the competing display. But of course if she were assured of absence of competing display she might indefinitely reduce her outlay and still gain her end. In other words, Mrs. B. spends her money bravely, but inscrutable Fate gives or withholds the desired end at her own sweet pleasure. The spending of the money has not in itself the slightest power to command the end sought.

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\* The reader whose gorge rises at these figures is privileged to strike off a terminal cipher from each amount.

The truth is, that what Mrs. B. seeks is a relation, not a concrete end. She does not wish merely to spend one hundred thousand dollars,—to have a splendidly-appointed entertainment,—but to spend more than Mrs. Van A.,—to outshine her as a hostess. Were her wealth and her social powers ten or a hundred times as great it would profit her nothing if at the same time Mrs. Van A.'s similar possessions were similarly multiplied. Treasure and effort without end could be thrown into this yawning chasm without the slightest change in the relative positions of the contestants,—without in the least gaining the end desired by each.

On the other hand, the money now spent for display could be diminished evenly all along the line with just as little result,—that is, with no result at all. Were Mrs. B. and her rivals impoverished by losing nine-tenths of their money, each one would maintain the same relative position as before. But the same is true of any conceivable diminution of the display funds:—one ten-thousandth or one ten-millionth of the present amount, distributed in the present proportions, would give exactly the present status. It follows of course that the whole tremendous outlay is pure waste. It is money spent in multiplying to infinity both sides of an equation in the hope of producing inequality,—which is the goal of social display. The ideal of Social Standing through Display is a cruel and delusive snare,—a violent madness which attacks its victims and causes them to throw their seed-grain and bread on a fire where they are utterly consumed without one iota of profit to any human soul.

No arch-fiend of cruelty from among the gods of

heathen mythology could possibly exceed the devastation wrought by this horrible divinity of Social Standing. He is worshiped not only among our circle of Millionaires, where gold and precious stones are lavished on his temples, and where seed-grain enough to provide for millions is consumed upon his altars. Far down through the ranks of our middle class, and even into those of the very poor, do we find his admirers. Seeing the glory of the temple which is maintained for him among the very rich, they aspire to join in his worship, offer him their scanty seed-grain, and in his service blast their future harvests. But to one and all of his worshipers he is ever and always the same,—the inscrutable, infinite consumer: to no human soul does he render a return for the measureless sacrifices he demands. The unfailing fruits of his worship are broken hearts and burdened children and blackened futures; our greatest hope for coming light and peace lies in keeping the still-existing store of seed-grain out of his grasp.

We find then, on analysis, that the ideal of Social Standing has really no concrete existence, that it is a purely accidental relation between quantities, that the greater or smaller amount of the quantities sacrificed in the attempt to attain it is absolutely without effect,—in short, that the whole pursuit is a delusion. We have also seen that the propagation of this delusion from the rich through the other strata of society greatly increases the area of its operation and the amount of harm which it accomplishes. It of course follows that to apply charitable funds to such purposes not only does not benefit society, but deeply

injures it; and that therefore it is a most unfortunate and reprehensible use of such funds. Furthermore, the occupation of zealously devoting time and money to a harmful delusion necessarily affects harmfully the character of its devotees, impairs their ability and weakens their desire to do anything of serious value, puts them entirely out of touch with all sane and reasonable ideals and views of life, and makes it practically impossible for them to help themselves. It is, in short, the typical, the ideal method of producing pauperism; in its track we find a continuous trail of economic corpses, while almost every vestige of the spirit of real self-help has vanished.

But far short of such colossal waste and such utter perversion of ideals we find on the upper reaches of the World's Charitable List much that is as truly pauperism in its inner reality as are the failures of Mrs. B.'s list. Wealth that simply places its owners in a charmed circle of refined luxury, where they are sheltered from every rude breath of wind that blows from life's tumultuous ocean, and where the world's trumpet-call for real deeds is never allowed to penetrate,—such wealth may breed delicacy, fastidiousness, refinement, gentleness; but it is not help to self-help. It does not tend to nerve one for conflict, or even for effort, but on the contrary seduces him into a life of lotus-eating. Its effects are often charming to the casual beholder; but when we look at their cost, and think upon the sore need for a part of these unearned millions in quarters where they would be used as seed-grain, we cannot doubt that such graces are too dearly bought. Such charitable expenditure

could never justify itself upon Mrs. B.'s list, and it follows that it cannot be really justified by merely belonging to a different stratum of society. For large charity, like small charitable gifts, can only finally justify itself by benefiting alike its recipients and society, and in a degree commensurate with the magnitude of its gifts.

It evidently seems, to one not of the gilded circle, an awe-inspiring, dare-devil adventure to attempt critically to investigate the rich. All instances of attempts at serious and reasonable investigation which we remember were open to the criticism that they were, so to speak, not quantitative, but qualitative,—that they considered the question settled to the advantage of the Millionaires when they had discovered undoubted benefit from their wealth, even if the benefit were small and the wealth large.

We start with exactly the opposite idea. The gift of ten talents seems to us to demand the gain of another ten, just as reasonably as the gift of two demands the gain of another two. The Millionaire-by-inheritance should show fruits commensurate with his millions; Mrs. B.'s two-dollars-a-week pensioner should show fruits worthy of his two dollars a week. Yet many who would closely and critically scan the fruits of a small dole of money given to a poor laborer, would accept any small scrap of benefit from a Millionaire's inherited fortune as proof positive of its beneficence and the wisdom of the social arrangements which placed it in his hands. Special pleading has ever been most freely used in

the defence of riches—for wealth has been on the defensive time out of mind.

There are many instances of credit claimed for the rich by their apologists where absolutely no credit is deserved,—where the whole claim rests on a fallacy. For instance, we are all familiar with the saying: “The extravagance of the rich gives work to the poor and makes money circulate.” Such a fact is absolutely without significance from the standpoint of our investigation. Any way of spending money, good, bad, or indifferent,—to buy masses for the repose of a soul, to send missionaries to the heathen, or to bribe a jury,—puts money in circulation and causes work to be done. If money is to be spent, these things will infallibly follow, whether the person spending it wish it to be so or not. He is not entitled to credit, any more than he is rightly to be blamed, for what he does not cause and cannot help. The only possible merit attached to the spending of money is in devoting it to noble ends. But further, as a matter of fact, even the poor merit of employing labor and making money circulate belongs in the least possible degree to wasteful expenditure. Money spent in display or other form of waste is gone in the first spending; the wealth which it represented is utterly destroyed, and will never again give work to the poor (or anyone else) or make other money circulate. But money spent productively breeds other wealth to replace that consumed, and thus may cause money to circulate and labor to be employed indefinitely.

Scarcely less in the nature of special pleading is the following attitude: “The poor men who have profited by Miss S.’s munificent gift to the . . . . Hospital

will not be likely to listen patiently to the next demagogue who tries to ‘roast’ the Millionaires.” That is to say, in substance: “When one has received a benefit from a Millionaire’s fortune it would be despicable beyond measure to look any further into his use of it.” The World must prostrate herself in humble thankfulness at receiving back benefits worth a thousand dollars from her charitable gift of ten millions. The following out of this rule to its logical conclusion would serve notice on each Millionaire that his first generous deed would canonize him; that thenceforth he need fear no criticism, be his use of his riches never so reprehensible.

In contrast to all these methods of avoiding the whole truth we have simply tried to consider fairly and with reasonable fulness both sides of the account with our Millionaires-by-charity, and to set down the credits as credits and the debits as debits. We have found and duly acknowledged numerous and important credits:—the noble public and humanitarian services of some rich men, the immense and nobly-conceived gifts of others, the honorable business activity of a third group, the important services to the art of refined living rendered by still others of the class. All these, with others of less importance not specifically considered, make up a most impressive list of benefits for which the World must acknowledge her indebtedness to the Millionaires.

But no man is rich simply because his assets are imposing. What of his liabilities? The list of debits which we find ourselves compelled to register against our class of the ultra-rich-by-charity is also terribly impressive. The amount of wealth which they hold

but never earned is enormous; with all this we must debit them. Used as seed-grain by the Minor Charities it might have lifted our whole class of the very poor to the plane of hopeful and self-helpful effort. Their opportunities for noble work for humanity are inspiring in their vastness; with limitless means of preparation at their command and no burdens of daily bread-winning to distract their attention from nobler ideals, we might almost hope to see a new heaven and a new earth won by their labors. Such princely opportunities confer solemn obligations; they are a heavy debit on the World's account against the Millionaires. It is against this tremendous array of benefits received that we must weigh the contributions of the Millionaires to the World's welfare.

But yet more must go down on this heavy debit account — the Millionaires' sins of commission. Much of the fruit they have brought forth as the result of their unparalleled opportunities is not merely negative, or insignificant, but seriously harmful. They have, many of them, scorned and ridiculed earnest effort, while they have pursued and praised idle pleasure; they have madly sacrificed to cruel and delusive social deities, and have spread the madness down through society; they have elected to seek after and eat of Dead Sea fruit, and its bitter taste is still in the mouths of those who looked to them for guidance. And, perhaps worst of all, they have shown us pauperism on so grand a scale and with such glittering accessories of pomp and circumstance that many of our young men and young women waste their

working hours dreaming of its glory, and sighing that they were not born paupers.

Looking at the whole case, at both sides of the account, we cannot see how anyone can seriously maintain that the very rich have given a good account of their stewardship. They have done some noble things, and in some ways have served society well; but all these benefits are trivial compared with their resources and opportunities. Judged by the standard they would apply to the poor they are as a class disastrous failures, and the charitable funds in their hands are being grievously misused. Vast service to humanity would be accomplished by reclaiming from their unworthy possession the seed-grain which is marked for this unholy sacrifice to Display, and re-dedicating it to the service of the race.

**But in seeking to extirpate pauperism we must never empty the vials of our wrath on the victim alone, or let the discovery of his unworthiness blind us to the ultimate causes.** The real culprit may very well be, and usually is, not the pauperized, but the pauperizer! When we come to look into it we may find that it is Mrs. B., and not her protégé, who has caused his fall,—that in giving him the money without any accompanying sense of responsibility she has practically counseled a waste of seed-grain. And this is even more true as an extenuation of the follies committed by our paupers in high life, for the World not only permits but applauds the sacrifices of seed-grain in the temple of Display, and her beneficiaries can hardly be expected as a class to rise superior to her morality. We are all more or less

prisoners of our circumstances, and the constraint of great wealth is not less rigid, though doubtless less painful, than the constraint of bitter poverty. But in either case it takes a hero to rise above his circumstances.

Let us therefore honor those Millionaires who have refused to be pauperized by their environment as not less worthy than those denizens of the Inferno who have been likewise strong. And for the victims, both high and low, let us have gospel charity and pity, knowing that they have been more sinned against than sinning. And for the bitter stream of evil which flows from this monstrous perversion to desolate the outermost borders of society, let us straitly charge the World as the criminal, and seek to prevail with her to mend her ways.

## CHAPTER IX.

### REVIEW.—WHAT WE SEEK : WHAT WE HAVE SEEN.

WE have now completed a general survey of the World's Charitable List. We have passed in review many facts which have an important bearing on the leading social questions of the times, and have drawn some inferences which, if just, cannot safely be ignored in treating our social problems.

Let us now pause a moment to review the field of our survey and the path by which we have come, and to estimate the significance of our findings of fact and our conclusions.

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The prime concern of the economic literature of our day is what we may call the search for the Beast.

We know not the name or the number, the horns or the hoofs of our economic Beast. We only know its baleful influence and the withering blight which its breath casts over society. The students of social science know it as the astronomers first knew of Neptune,—by the perturbing influences with which it has confounded their calculations. It has caused us to gather thorns from grape-vines and thistles from fig-trees; it has grafted a bud of the upas-tree upon the sturdy stock of industry. Under its malign guidance the fair science of wealth, whose words should be powerful for the healing of the nations, has brought

forth only a Sphynx's riddle. Out of a plenteous world, brought by marvels of energy and inventive genius under man's dominion, it has grown the bitter fruits of poverty and despair, burning hatred and endless strife, reeking slums and foul diseases.

Of course there are not lacking economists who say they can see no signs of a Beast. "To be sure," these say, "there will be occasionally some trouble; some fellow will get drunk and waste his money, and his family will suffer. But that is nobody's fault but his own. Society can't make all men rich or wise. Overlooking eases of misfortune, however, our present social régime shows excellent results, and while it may be open to improvement in details, it could not possibly be seriously changed without bringing universal disaster. These plans of reform are silly dreams."

All of which we receive with deference: it may be true. The apparent wrongs which we have been watching may be only misfortunes. But so long as such misfortunes are as plenty as they now are, some ardent souls will continue to believe in the existence of the Beast. And with belief in its existenee, the quest for its lair is likely to remain the uppermost thought of the knight-errants of economics. To find it and kill it seems to them to be the first duty of this generation. This done the sun would shine and the flowers bloom for all mankind ; we should have a new earth and a new hope of heaven.

We also aspire to join in the seareh. This book of ours is in a modest way a quest after the Beast. It essays to find within its chosen field the evil which has multiplied upon the poor the burden of wrongs

and privations, and embittered for the rich the possession of wealth and power.

A few words may serve to show more clearly the reason for our choice of the field in which we have elected to pursue the search.

In the beginning of our investigation we disclaimed any intention of inquiring into the wisdom or unwisdom of a man's use of money which he had himself earned. This was not because we believed there was nothing in such a sphere of inquiry to repay investigation, but because we thought the facts of cardinal importance we were seeking,—the lair of the Beast,—lay elsewhere.

A man's right to the use of the wealth he has fairly earned is the foundation-stone of our present social system. It flows logically from the simple admission that a man owns himself :— but this is largely denied nowadays. It furnishes the only adequate justification for the existence of private property. If the creator of wealth have no just title to its possession, our social system is a mass of contradictions and absurdities.

Now we doubt not that important mistakes and wrongs are committed in the use of such money. If these mistakes and wrongs are the main cause of the great mass of misery and unrighteousness which exists in our social system,— are really the Beast which we seek,— then evidently the abolition of private property and the adoption of a socialistic organization of industry is the only way that offers real hope for society.

Far be it from us to refuse to accept any con-

clusion to which the logic of facts brings us. If the facts point to socialism, let us say so frankly and earnestly. But let us first be sure that the facts point unmistakably. The present competitive system has the tremendous advantage of being in possession of the field, and is entitled to the benefit of whatever doubt exists. It can only be dispossessed by evidence, not that it is faulty, merely, for all human systems are necessarily faulty, but that it is wrong in its essence.

Now evidence of this character we believe is lacking. The socialistic propaganda of the present day bases its powerful and acute attack upon competitive institutions upon a pure assumption of this vital point. It has no difficulty in showing that the evils of the present system are tremendous. This is its major premise. If it could prove that the evils of the present system are a necessary result of its essential principle it would establish its minor premise. The conclusion would then necessarily follow that to be freed from the evils of our present system it would be necessary to abolish its essential principle—competition.

But no attempt is made to prove the minor premise. The syllogism of the socialists reads somewhat like this :

The evils of the present system are tremendous.  
*Of course* the evils of the present system are a necessary result of its essential principle,—competition.

Therefore, the only way to be freed from the evils of our present system is to abolish competition.

Now we believe that it is at this precise point in the socialists' argument that the average man halts to consider. We believe public opinion is fully with the socialists in their exposition of the enormities of our present social organization. We believe that it would unhesitatingly follow them in demanding the abolition of competition if convinced that no other way offered any reasonable hope of relief. But we believe that it is skeptical and hesitating as to the above-mentioned minor premise, and shows small tendency to accept the socialists' "of course" as conclusive.

But it is equally true that no really confident answer is being opposed by any representative body of public opinion to the socialists' "of course." So far as we can judge, public opinion very fervently believes that there *ought* to be some way of reforming manifest and tremendous wrongs without throwing all our social institutions into the crucible; it is rather inclined to think there *is* some way; but the socialists' confident challenge to point out such a way only elicits a confused murmur of voices. The socialists' confidence seems to give them command of the situation, but public opinion is not convinced,—only "thinking."

The various voices which compose the murmur—the various answers which are being propounded on every hand to the question, What shall we do to be saved (socially)?—are evidently, excepting that of the socialists, kept in check by a strong sense of their own inadequacy. Each set of reformers is sufficiently sure of the rightfulness of its own reform, but quails when it is asked to apply (in imagination) its little

palliative to the tremendous range of evil to be cured. A few of these plans are believed by their originators and upholders to be able to affect the whole range of society with an upward-tending influence, but very few even claim so much as this, and a very cursory inspection of those most prominently in the public eye will convince the impartial observer that the remedies offered are, almost without exception, local, not constitutional.

Our body politic and social is thus seen to be in the position of a very sick man who is being torn by the conflicting counsels of two sets of advisers. On the one hand is a surgeon who confidently assures him that amputation at the waist-line is the only real remedy open to him. On the other is a crowd of doctors each yearning to try the virtues of court-plaster on some portion of his anatomy. We may reasonably feel justified in seeking to stay the surgeon's knife in favor of some milder remedy ; yet we cannot fail to see that it is some powerful constitutional tonic that is needed, and not court-plaster.

Our determination, therefore, to leave out of our present investigation the evils resulting from the use of wealth by its creators, amounts only to this:—that in our search for the root of the tremendous evils afflicting society,—in our quest for the lair of the Beast,—we decide to begin with the incidentals, not the essence, of our present competitive system, just as we should seek to cure our patient by regulating his bodily functions and not by sacrificing his motive power. We believe that our present competitive system must at no very distant date be purged of its worst evils, and that if those evils can be definitely

traced to the necessary action of competition, it will be reformed by abolition. But we also believe that the principle of competition can only be totally condemned by a decisive failure to locate the evils in question as belonging to the incidentals of the competitive system rather than to its essence.

The essential principle of our present system is, by common consent, competition. In fact many bulky works on themes of political economy may be read through without the reader being apprised of any important exceptions to its supremacy. But without asserting that the exceptions are more important than the rule we may safely say that it is only a caricature of our present social system which treats it as a system purely competitive.

These exceptions we may broadly divide into two classes, those of Extortion and those of Charity. The first consists of those cases in which the action of free competition is suspended by some advantage of position or opportunity held by certain persons. The second consists of those cases in which its action is suspended by pure favoritism, the person who holds a competitive advantage surrendering it to some other person without receiving any economic equivalent.

The first class embraces all such forms of non-competitive money-making action as trusts and legal or legislative monopolies. The public thoroughly appreciates the fact that this class forms an important reservation from the working of competition. It constitutes the present storm-centre of politico-social discussion. It has received ample attention in current literature from both friends and enemies—especially

the latter. Their attacks upon its various methods of eluding competition are most pertinacious, and seem to receive hearty support from public opinion. The party of reformers which represents these attacks proclaims as its essential belief that the present danger to society is preëminently from these monopolistic exceptions to the principle of competition, and we are left to infer that if untrammeled competition could be restored "Time would run back and fetch the age of gold."

Yet trusts and monopolies are not by any means such wide departures from the competitive principle as their enemies believe and assert. They are more a special development of competition than a negation of it. While corruption is often at the root of their power, yet it is also true that the vantage-ground from which they levy tribute on the public is often simply due to energy, effort, management, foresight, resolution, knowledge of human nature, and other qualities most highly commendable from an economic standpoint. Monopolies do undoubtedly often operate at the expense of the public, but so do many of the forms of business activity which public opinion still considers as exhaling the odor of sanctity. On the other hand monopolies are often highly beneficial to the public by reason of the greater efficiency in production and distribution which they are enabled to attain; and much of the outcry against them is of the same nature as the outcry of workmen against labor-saving machinery. It would be extremely difficult to draw a line clearly distinguishing between these much-reprobated institutions and similar forms of "legitimate" business. While

we have no desire to underrate the evil that flows from monopoly in these various forms, we may say in passing that it is the middle class who are the principal sufferers from their operations. We very much doubt if the abolition of every commercial monopoly in existence would produce any great change in the relative position of the very poor and the very rich.

The exceptions to the operation of the principle of competition which come under the head of Charity seem to have been severely neglected by the reformers. We do not remember to have seen in any work treating of these subjects even a sentence or a paragraph, much less a chapter or a division, which evidenced any adequate conception of their magnitude or importance. This is, of course, to some extent due to the fact that a conventional limitation has been placed on the word "charity" which has helped to conceal the magnitude of the thing itself. The charity which has always monopolized the name, while in itself important, and treated in its special literature with a fulness which does full honor to its importance, is yet utterly insignificant beside the real Charity,—the widespread and immense benefactions of what we have called the World's Charitable List. This whole and undivided Charity we believe to be the most important subject in economic literature,—the principle of competition, with its attendant institution of private property, alone excepted.

This subject of the greater Charity we have chosen as the field in which to pursue our quest. All lines of *à priori* reasoning on the subject point to this as a most promising field for us.

In the first place, it is a distinct negation of the principle of competition. For those reformers who, though driven to admit the faults of competition, yet find themselves unable to picture the productive machinery of the world as operating without it—(and we think even the socialists must sometimes wish they were at liberty to use it in imagining their reconstructed society)—this fact must have great weight. A field of such magnitude and importance entirely removed from the regulating influence of competition must, to such a one, irresistibly suggest the lair of the Beast.

In the second place, its magnitude and its intimate connection with every social activity make it an adequate field in which to trace a great evil or to apply a radical remedy. We are asked to place our faith in Trades-Unionism, or Profit-Sharing, or the Free Coinage of Silver, or Currency Reform, or a Protective Tariff, or Free Trade. We may easily concede that each of these movements seeks a beneficial end, even if no one man could possibly endorse the methods of all. Yet granting in imagination that all which these hope to achieve is accomplished, how much is the face of society altered? how much are hopeless poverty and excessive riches moderated? how near are we brought to a sane and hopeful outlook on life for all mankind? The utmost that one of these movements can hope to accomplish is to cure a few of the abuses existing in society,—to lop off a limb or two of the Beast. But the Beast is one of those low forms of life which possess the power of replacing a lost member; the abuse will be only too likely to grow again, perhaps slightly altered in form, if the

Beast be allowed to live. Our quest is not merely for members of the Beast; we seek his life. And we believe the field we have chosen for our search is sufficiently extensive to exhibit (or hide) every ramification in which his repulsive life-force works its varied evils.

Finally it is a promising field in which to pursue our search because it is virgin territory for the investigator. If the Beast really be in hiding here we must admire the astuteness with which he has thrown his pursuers off his track. The conventional limitation of the word "charity" to the insignificant charities has made his hiding-place safer than a fortress. It is now "bad form" to investigate the field of charity,—the real charities. The conventional field of charity is of course investigated by the economists, no doubt at the suggestion of the Beast himself, and much interesting information is unearthed; but due deference is paid to the feelings of the Beast, and nothing is done to compromise him. Of course no gentleman investigator would discover the Beast in the innermost recesses of polite society, and even if he be discovered there he must naturally be treated like a gentleman. In short, the investigator of the field of charity has been swathed to utter impotence in the bonds of polite convention.

All of which makes it likely that this field is one of great promise for a rude, boorish, ungentlemanly searcher after the presence or the footprints of the Beast. We make no doubt that we have fully established our possession of these qualifications. Let us now briefly review the course of our investigation.

Our first attention was given to the Minor, or small, charities. A large part of these belong to the conventional charities, which, as we have said, have been abundantly investigated by the economists. The general verdict of the economists,—or rather the general judgment based on the verdict of the economists,—was that these charities had very largely been unfortunate in their effects, pauperizing instead of helping the recipients. More caution was recommended in the bestowal of charitable gifts; in general, a considerable curtailment in the amounts given. A not inadequate summary of the popular acceptance of their verdict would be, “Pauperizing by excessive giving.”

On applying a little analysis to this verdict and the facts supporting it, we found ourselves indeed unable to deny the pauperizing. But taking the strictly parallel cases of much larger gifts from the World's Charitable List, we found strong reason to infer that the pauperizing effect traceable to the Minor Charities was not due to their excessive amount. On the other hand, by analyzing the way in which a charitable gift must operate to be a real benefit instead of a detriment, we very soon discovered that one necessary element was at least a small surplus over the amount necessary to overcome starvation. But this surplus is in general carefully excluded from the gifts of the Charity of Condescension. Evidently, then, the rigid smallness of the gifts from these charities is an important pauperizing influence. Our general inference therefore was that the Minor Charities in the main pauperize by withholding, not by excessive giving.

Our survey of the field of the Minor Charities of Equality confirmed this conclusion. The help afforded the children by their parents among the very poor yet self-supporting classes,—their education, training and start in life,—we found to be so inadequate as to force the children into bread-winning occupations almost in infancy, and in reality utterly unprepared for the fight of life. The result of this we found to be almost necessarily a life-long struggle with starvation,—a struggle practically hopeless, in which few could reasonably expect any noteworthy success. The sick, wounded and disabled of this perennially-beaten army, falling by the wayside, become the material which the Charity of Condescension, by its penny-thrift and pound-waste, converts into paupers. Thus the terrible scantiness of the Charity of Equality among the very poor is the real reason so many of them ultimately fall into the ranks of the paupers. This is preparation for pauperizing, and it is wrought by the withholding forced upon the parents by their destitute circumstances.

But passing to a more cheerful field of investigation, we found a very different state of affairs existing among the beneficiaries of the Medium Charities. In the first place, the educational charities, belonging to this division, while perplexing in point of classification, are most cheering in the matter of results. They furnish large help in the way of preparation for the struggle of life, and give it in a shape which makes impossible any other use of it. They greatly benefit; they never pauperize. Then, in this class the help afforded the children by the parents is usually adequate to give them some real fighting chance in the

battle of life, and is often sufficient to give them the best chance the mind of man can devise. For, on the other hand, it is rarely so large as to lead them to rely upon it alone;—they know they must strenuously exert themselves in order to reach any really honorable success. Thus in this class we find almost everybody engaged in serious and useful work, with a hopeful outlook, and expanding ideals. We find a constant endeavor to use the good in hand productively, to compass the possession of some greater good; a general habit of looking before and after; a large development of the power to adapt means to ends. The middle class,—the class of the Medium Charities,—is the typical class of our modern civilization, the strength and glory of our competitive system. That this is so is certainly due in the main to the large yet not excessive charity which is dispensed in this class; —the funds which furnish to the young the education and training necessary to enable them to work effectively.

But passing again from this class to that of the very rich,—from the Medium to the Major Charities,—we find again a land of desolation. It is not usually so considered, to be sure; — the casual on-looker amid these rich scenes thinks he has found a land of peace and plenty. Yet a battlefield, a shipwreck, a tornado, a fire which lays a city in ruins, are, to the serious observer, less awful scenes of waste and desolation than the circles where measureless seed-grain is consumed on the altar of Display. The charities among this class are adequate, to be sure, for all possible needs; they place in the hands of their beneficiaries possibilities which are simply immeas-

urable. We cannot overlook the fact that many of these possibilities are realized; that much of the seed-grain among the rich is planted and brings forth a bounteous harvest; that beautiful oases of living verdure relieve the aspect of our land of desolation. Yet the utilized seed-grain, the realized harvest, while large in themselves, are an utterly insignificant fraction of the seed-grain at command, the harvest that might have been. The bulk of the inherited millions which these very rich hold is sacrificed to a visionary deity; the main part of the energy which might have fructified these millions is spent in building houses of cards constructed on fantastic principles of perverse impossibility. The main fruit of these wasted millions is a glittering and gorgeous pauperism, a nerveless and cynical satiety, an inverted and perverted set of ideals.

We wish to make every reasonable acknowledgment of the imperfections of our general survey of these fields. The exceptions in matters of detail which might be scored against our generalizations are of course numerous. In particular the evil of expenditure for Display, which we have ascribed to the very rich, is, as every one knows, rampant among large portions of the middle class, and if it is anywhere, or in any class, entirely lacking, we do not know of it. Yet it is distinctively a vice of the very rich. Its existence there is natural, and is due to a surplus of means after all real needs are satisfied. On the other hand, among the other classes its existence is largely due to a desire to imitate the very rich, or those richer than themselves; and it is largely kept alive by the

imaginary glories of the temple of Display where the rich sacrifice their seed-grain.

But passing over the details, in which of course we do not claim infallibility, we think that no reasonable person can well dispute the general correctness of our survey. That Charity—(using the word in its fuller sense)—is disastrously inadequate among the poor, disastrously in excess among the rich; that the injury which each condition works is not alone an injury to society, but to the individuals concerned; that these individuals at both ends of the social scale, as well as society in general, would immeasurably benefit by a more even distribution of the existing charitable funds:—these are conclusions for which we should hope to secure general assent. We think, also, that those who have followed us through our investigation will generally agree that we have not overdrawn the amount and intensity of the injury worked by this double perversion;—that we have shown strong if not unmistakable evidence that we are here dealing with the Beast of our quest.

To deny charity where it is greatly needed in order to bestow it where it is worse than superfluous,—to work deadly injury by withholding at one end of the social scale, in order to be enabled to work deadlier injury by excess at the other:—this is a settled habit of the World. It is a spectacle too common to possess any terrors for us; we witness its exhibition each day without emotion. Yet if we look closely and intently at this familiar sight we see that it contains in plain view the lineaments of the Beast, breathing desolation and despair over a world which its Creator planted thick with tokens of good-will to all mankind.

## CHAPTER X.

### WHENCE COMETH HELP?

IT is with a chastened spirit that we turn to the task of outlining a remedy for the disease that we have located. We all know how easy is criticism, how difficult real construction or reconstruction.

Yet it might seem that the nature of the disease as we have stated it is also a statement of the remedy. If the disease be simply a superfluity of charitable funds in one class of society and a corresponding deficiency in another the remedy is evidently to take the superfluity and apply it to the deficiency, thus abolishing both and making everything lovely.

As a matter of fact, we believe that such is exactly the remedy needed. Yet of course this bare statement is absolutely valueless. Everybody will recognize that any such short cut to our objective point is impossible. It may sound very simple to say that if there be a malignant tumor in a man's stomach, the proper remedy is to cut it out. The surgeon, however, knows that at every stroke of his blade he must carefully observe the tissues in his path, avoiding this one to the right and that one to the left, taking a course which may to the uninitiated seem straight and easy, but which he knows is devious and difficult. He is dealing with a living organism. Every nerve and blood-vessel, bone and membrane, has its function to perform in the economy of the human body, and surgery which is to cure or benefit must respect each

and all of these,—must carefully avoid destroying the functional usefulness of the members in its endeavor to reach and cure the diseased part. . To slash straight for the tumor, regardless of the living tissues intervening, is butchery, not surgery.

We find ourselves similarly restricted in our efforts to provide a cure for the ills of society. We are dealing with a living organism. To cut and slash into its existing institutions in order to reach and cure some deep-seated disease is impossible. The parts of the social organism intervening may seem to us simply obstructions to our beneficent plans, but each one has its function to perform. Any remedy we offer must respect each and all of them, and carefully avoid any injury to their functional activity, or we should be simply proposing social butchery.

This principle may seem to restrict the sphere of social and political reform almost to the vanishing point. In truth the parallel, while legitimate to a certain point, is, like all other parallels of the sort, capable of being carried too far. The social and political reformer is not, like the physician, absolutely restricted to acting upon the organs and members already existing. Some of the institutions that go to make up our present social organization are as truly man's handiwork as is a locomotive. Many of them also have been greatly modified and amended by human design. Yet despite this large sphere for man's conscious work in the upbuilding of our social structure, the process on the whole is a development. When we find an institution existing we may be almost certain that it is performing some needed function more or less satisfactorily. We are not necessarily with-

held from making changes in the institution, or from substituting another in its stead, but we must provide for the discharge of the function. Whatever changes we would make must include provision for the orderly continuance of the life of the social organism; and hence they must of course be changes in the direction of its natural development. In fact, we may say that the true work of the social reformer is rather an acceleration of the natural course of development than an introduction of any foreign force or idea.

Our inquiry then as to the upper portion of the World's Charitable List, whose surplus funds we would so much like to apply to the Minor Charities, is, Do these vast funds, and the system which brings about their existence, perform any necessary function in our present social organism? Would their abolition be a wound in the vitals of society?

The answer to this question must be affirmative. The existence and inheritance of these vast funds is, as matters now stand, part and parcel of our social system, and not to be lightly separated from it. They grow, in practice, from the duty under which men of our day feel that they labor to provide for their families, not only to a reasonable extent, but to the utmost extent possible. And the depth and intensity of this feeling, and the unreasonable length to which its manifestation is pushed, are due to the existence of another institution that is now part and parcel of our social system, and not easily to be separated from it:—the terrible Inferno which we maintain at the bottom of our social system—the Submerged Classes.

Few even of those who are entirely familiar with it realize the extent to which the dread of this awful

pit affects society. For all society is built, as it were, upon the face of a steep cliff overhanging this pit, and each of its members maintains his position at a certain height from the bottom by virtue of some special foothold which he has cut in the cliff. The sight of the torments endured by those in the pit is much lauded by some economic writers as a wholesome spur to the diligence of the more fortunate members of society,—those who have fairly good ledges to stand on, and are working to deepen their footholds in the face of the rock, and to climb higher up the cliff. But other writers express considerable doubt as to the beneficial effects of this spur. Some persons who have worked very near the bottom of the cliff, and have by strenuous exertion climbed higher, say that they can do better work at a greater altitude, where the dread of a fall into the seething horrors of the pit is not so overpowering. Then the cliff slopes less steeply further up, the ledges are broader and seem more like permanent dwelling-places, and the prospect is so wide that one can sometimes forget the existence of the pit. But there is no place so lofty and no ledge so wide that the dwellers are safe from a fall which may take them clear to the bottom of the precipice, and plunge them into the horrors of extreme poverty.

Naturally with society so placed around and above the pit, the leading motive of its members is a desire to escape from the suffering there exhibited. This end is pursued with a lifelong ardor and intensity which sometimes seem to develop into a form of insanity. In fact, the whole scene of struggle is somewhat irrational. The fear of the pit is so overpower-

ing that it makes a mob of the desperate army of climbers. It seems impossible to institute concerted action among them. Could they with one accord attack the terrors of the pit they might abolish them with a tithe of the effort they now devote to selfish and individual flight. But calm reason, of course, is not to be expected of a mob; they pay no attention to attempting to improve the conditions in the Inferno. In fact, by elbowing each other as they climb, many are unnecessarily jostled off their ledges to make still worse the struggling, hopeless press in the pit. And this habit of feverish effort, each for himself, and in disregard of his neighbor's welfare, is maintained even after the remotest possible necessity for it has ceased. When success is attained, and a relaxation from the strain comes to be possible, the toilers find that they cannot lay the habit aside. Each keeps on striving to make the ledge for his family wider, the refuge safer, until they overdo the matter. In the end they make the ledges so wide that their children never get near the edge to see the pit below, and when their parents' protecting care is gone they often stray over the edge in pure ignorance of the danger.

Thus in the minds of these cliff-dwellers the idea of escaping, and especially of enabling their families to escape, far from the terrors of the Inferno has become a sort of religion. The motive serves to justify not merely the first attempts to climb upward from the pit, but the most elaborate precautions to provide for their families security and splendor forever,—precautions which often by their excess defeat their intended ends. The intensity of the primary

motive, the hideousness of the Inferno which always threatens them, makes ample provision seem small, and the greatest excess but moderate prudence. The poverty of the pit comes to stand for the essence of evil; it seems impossible to have too much of the remedy for it.

Thus the funds which we should so much like to distribute differently are protected from our designs by a sacred name. They have a necessary function as things now stand, but it is largely to serve as an imaginary protection against a danger which the system itself creates. They stand in the public eye, however, as monuments of devotion to duty,—the duty which lies upon a man to provide for his family. To propose their abolition would arouse almost universal protest. Of course we do not wish to abolish these funds, but only to distribute them more effectively; we do not wish to abolish provision for one's family, but to provide for all families moderately, and for none to tremendous excess. But this is an experiment: to each man who has spent a lifetime of toil gathering a scanty provision for his family, such a redistribution would seem like risking these sacred funds in a doubtful business enterprise. The expected benefit would seem uncertain, the loss certain; the thought of his loved ones struggling unaided with the horrors of the pit would be too awful to be endured. So long as the Inferno is maintained with its perennial threat to all society, so long will any attempt at a rational redistribution of these charitable funds seem almost sacrilege.

But, on the other hand, there is plainly a widespread feeling that the present inequality of these

funds is dangerously great. On our principle that changes in social institutions, to be beneficial, should follow their natural lines of development, let us inquire what is the present trend of ideas as to this institution of the World's Charitable List.

It is a commonplace of current speech and newspaper comment that a rich man to-day is expected to leave, and usually does leave, a considerable portion of his fortune for the public benefit. We may add that it is also becoming evident that very few rich men are allowed to die before having this claim against them presented. They are during their lifetime approached in behalf of all sorts of public charities, and no doubt on the whole respond with a pretty constant stream of gifts.

Of course it is in no sense significant that occasionally a rich man makes a present. He may wish to do it for the pure enjoyment he gets out of it, or because he has at heart the welfare of some institution or person. But a movement of great volume in this direction *is* significant. The change which has come over the gifts of rich men within the last fifty years,—the increase in their size and frequency,—is so great as to suggest the operation of some new motive. We think in fact it is now pretty well understood and agreed that much of the money rich men give to public purposes is in reality given more as a debt due to the public than as a gift;—that it is given in deference to a public sentiment, in which, no doubt, the givers often unite, that under our present system legal ownership is not conclusive as to moral right, and that its validity is only admitted subject to large

but undefined reservations of a paramount public right.

It is difficult, however, to perceive much significance in this concession to public sentiment. The claim which is conceded is so indefinite that, even when allowed, it leads to no important result. It has been the fashion for some years to make much of this concession as foreshadowing an important amelioration of our social conditions. Our newspapers have hailed each new gift as marking a step on the road to a new era of peace and good-will between rich and poor, and, by inference, of much happier conditions for the poor. Yet the desired goal seems to retreat about as fast as we move toward it. The rich men's gifts, while their total makes a rather grand appearance in a newspaper editorial on "The Common Interest of Rich and Poor," do not exactly make rapid strides in abolishing poverty. The truth is that, however grand in an indefinite way the concession may seem, the rich men define it to suit themselves, and we may safely assume that their definition of it, as shown by their gifts, will not revolutionize society. Gifts made under such circumstances will give us shining instances, but they will not greatly alter the previously-existing averages. They will neither abolish the Inferno nor diminish to any notable extent the amount of the Major Charities.

We think the public has come to appreciate this fact within the last few years, and to this appreciation we trace the growth of the comparatively new movement to tax inheritances progressively. This movement we regard as a much more important indication of coming changes in our social arrangements than

the Millionaires' semi-free-will offerings. It discards nebulous sentiment and individual initiative, and pursues its ends by the means of legal enactments which fall on the willing and the unwilling alike. It is of course easy to say what the movement now is; less easy, by far, to say what seeds of greater things it may contain. A taxation of inheritances running up as high as ten per cent. for the larger amounts is certainly a substantial slice off of a man's control over his property. But this rate is not unprecedented in our tax laws; it may mean simply that our legislators regard our rich men as good sources of revenue. It may mean, on the other hand, that our voters regard the taxation of great wealth at a higher rate as a leveling measure,—the entering lip of a wedge which will split asunder the great fortunes and distribute them among the people. Our own conclusion is that the latter reason accounts for by far the greater part of the popular support which this movement has developed.

But the weakness of this movement, as of the other, is its indefiniteness. We may characterize both of them as a blind groping toward the light;—as proceeding from a feeling which its possessors are seeking to carry into action, but for which they have as yet furnished no justification of pure reason. They regard the accumulations in the hands of the Millionaires as, in some sense at least, an injustice to society, yet with unimportant exceptions they approve of each link in the chain which brings them into existence. But it is manifest that if our present institutions be just, and these accumulations normally result from their operations, the accumulations themselves must

be just. To impugn their justice it is logically necessary to show where in our institutions the injustice lies. To admit each link of the chain of causation as just, yet stigmatize the result as an injustice, is simply to assent to the major and minor premise of a syllogism yet repudiate the conclusion which necessarily follows.

We have taken these two examples of current sentiment as including most of the specific protest against the accumulation and inheritance of great wealth. But almost every movement now on foot to better our social conditions springs in some degree from this protest. The Trades-Unions are an attempt to counteract the formidable power which large wealth manifestly yields in industrial operations. The People's Party is a movement against this same power as exhibited in the political field. The Single Tax propaganda seeks to locate the injustice of great wealth in its power of securing, through the ownership of land, an increment of value due to the labor of the community at large. The Free Silver movement is a protest against the unearned increment which, through the operation of falling prices, accrues to large wealth, with a consequent enlargement of the claims of wealth against industry.

We might instance numerous other cases where the protest against great wealth underlies important reform movements. The *points* of attack in these movements are various, but, meditately or immediately, the *object* of attack is in every case great wealth and its unjust powers. However they may choose to operate, or whatever theory or lack of theory may determine the mode of their assault, they all bear

testimony to the wide diffusion and persistency of the idea which is their common starting-point.

Thus we find on examination that there is to-day a ground-swell of public sentiment setting strongly toward the restriction of the powers possessed by great wealth. It has reached a volume which possesses ample power to effect great changes in institutions, and to modify largely the face of society. Yet it is split into many factions, indefinite, halting, undecided,—it lacks the leadership of a clear-cut theory. It has arrived at the stage where it should transmute its mass of indefinite power into political action, yet no clear lines of political action are in sight. It presents the stage where the forces of social development are but awaiting the mould of political form to take the position of a new institution. And here it is that we find the typical, the preëminent opportunity for the work of the social reformer.

It is to fit this need that we now proceed to set forth our theory. While we appreciate the immense difficulty of the task we have assumed, we cannot shrink from the test. If we *can* furnish the key to solve the enigma, we thus justify our inquiry and crown it with fruitfulness. If we cannot, our whole course of reasoning and investigation is fruitless and ends in a bog.

We have already indicated with sufficient precision the requirements which our theory must meet. They are substantially these: It must, in the first place, serve to show us how the horrible Beast of our quest may be killed,—how the tremendous extremes of dire need and excessive wealth may be abolished. It

must, in the second place, respect the function which,—in the popular mind, at least,—the inherited funds discharge,—that of enabling a man to secure his family against coming to want after his death. This means that at present no wholesale redistribution of those funds is practicable. In the third place, it must utilize the strong and widespread sentiment against excessive riches as its ally, realizing that it springs from substantially the same causes that we have been investigating, and seeks substantially the same end. In the fourth place, it must supply an accurate and specific charge of injustice against our present social institutions in place of the incoherent, indefinite, instinctive complaint on which the present movement or sentiment rests; and must propose a specific and practicable change as the remedy which is to bring about the desired ends.

In general we may say that the remedy which we are seeking must be old in its essence, but new in its application. We may imagine it as already existing in our present social organization as an ideal, perfectly familiar to every one of us, yet buried out of sight beneath the driftwood and wreckage of repeated social floods and upheavals. If we can uplift the débris and bring the hidden ideal to the light of day it will take its place at once as an integral part of our social life, and its newness will be forgotten in the feeling that we had it always with us.

Such is the true work of the social reformer,—the work that really reforms, that gives new life to society, and is permanently valuable. Such a reform we attempt to present in the following pages.

PART II.—THE REMEDY.

BOOK III.

THE PEOPLE'S HERITAGE.



## CHAPTER XI.

### THE PEOPLE'S PROPERTY IN IDEAS.

WE seek an inheritance for the disinherited,—a provision for those poor wards of the Minor Charities who are compelled to sell their childhood for a scanty mess of pottage.

Not less earnestly, nor with less benevolent intention, do we seek to make provision for the victims of the Major Charities,—those who have been crushed into pauperism by their loads of superfluous wealth. We seek to dower them with new wants of moving power,—wants which shall lead them to know the enduring satisfaction of strenuous and effective exertion.

In these desires we have the support of a great volume of public sentiment, which, though now only seeing its course as through a glass darkly, and wavering and divided as to its ways and means, is nevertheless fully with us in the ends we seek.

Yet, as we have seen, to take the short and direct route to our end would be social butchery; it would cut through the nerves and blood-vessels and viscera of our social organization;—in short, it is at present impossible.

In this dilemma we have recourse to a familiar conception lying very close to the root-ideas of mankind, and bearing, as we believe, promise of balm both for our diseases of starvation and for those of excess. We

make our claim upon the indefeasible Inheritance of the Race,—the People's Property in Ideas.

The present generation is the heir of all the ages. No amount of vain repetition or familiar levity can lessen the importance of this magnificent truth. Yet they have served to obscure its practical realization. At present it may be said to belong to our mythology rather than to our ideas for the guidance of living.

What is this Inheritance of the Race? Is it simply a sounding phrase, meaning nothing? Or is it, on the other hand, a fact of immense significance,—so large and so near to us that it is as yet but dimly apprehended?

If asked what this generation has inherited from past ages the well-instructed school-boy would probably name such things as the blessings of civil and religious liberty, the idea of immortality, the works of genius in literature and art, the demonstrations of mathematics, the discoveries in astronomy; with other items equally exalted and equally removed from our everyday thoughts. These things *must*, he reasons, constitute our inheritance from the ages; he has heard it so stated in divers orations, and has seen it in his reading-book repeatedly.

Nor can we claim that our school-boy has overrated the importance of these exalted conceptions. They are of the things that lift man above the brutes; they hold the keys to the spiritual kingdom. They are therefore immeasurably valuable, and are rightly embalmed in our rhetorical literature and in our ceremonial speech.

But for some reason the purely practical aspect of this inheritance has been strangely neglected. It is not so with the heritage the Self-Made Man leaves to his children. When the last sad rites have been performed over the remains, and the will is brought forth, the family lawyer may preface his reading of the document with a feeling reference to the unspotted record and honored name of their father. We cannot suppose the heirs are insensible to this loftier heritage: we take it for granted that they deeply appreciate and reverence the riches of a good name. But it is certain that this does not present itself to them as a complete inheritance. The deep interest they feel in the material portion shows itself when the items of "I give and bequeath" clothe them with the property rights of a generous livelihood and a rich store of seed-grain.

So the heirs of the ages need not feel shame in acknowledging that they are of the earth earthy. They cannot live without material means of livelihood. They deeply desire to live well and nobly, to appreciate and apply spiritual truths and noble examples; but the keenest interest they have in their inheritance is of necessity embodied in the question, What help has it toward a livelihood for us? Will our share in this inheritance provide us with bread and butter, or clothe us against the cold?

In current speech and thought there is no recognition of any such power in our general inheritance from the ages. If a man die and leave no financial provision for his family they are said to be totally unprovided for. They are the heirs of all the ages, and can feast their souls to repletion on spiritual

triumphs and noble examples; but their share in this magnificent heritage will not bring them one crust of bread or one pound of coal. Yet it is only too evident that the exalted spiritual values are absolutely without benefit unless a man first possess the lowly material means of living: that "all that a man hath will he give for his life" or livelihood.

Thus it is manifest that in facing the stern facts of daily living our inheritance from the ages is usually treated as of no importance whatever. The practical men ignore it completely; it has no value on 'Change. It is all very well for Fourth-of-July orations and for literary-circle essays, but it satisfies no hunger and clothes no nakedness. It is apparently a glorious myth.

Yet as a matter of fact our inheritance from the ages is the greatest piece of property in existence. We mean by this not merely that it is rich in noble examples, or soul-inspiring thoughts, or great achievements of genius. We mean that it has more power to support life and clothe nakedness and furnish material comfort than any other thing that admits of ownership. We mean that it is a tremendous bequest, not simply of soul-life or spiritual truths, but of plain material livelihood, to all the race. We mean, in short, that it is vast riches, real and not purely ideal, and that every human soul has an equal claim upon it.

What has become of it? It has been left lying unguarded in the highway. What would become of the hoard of gold in the United States sub-treasury if it were similarly neglected? But let us not stop now to inquire who were the pilferers. Let us first rehearse some few items from the inventory of this vast

inheritance to assure ourselves that we are not mistaken in believing it to be the richest property in existence. For the present let us ignore the exalted and ideal values, and come right down to practical facts hard enough to satisfy the Self-Made Man.

About the year 1770 began to appear a remarkable series of inventions which ushered in what we may consider the modern era of industrial organization. They included Watt's development of the steam engine to a practical form, and some far-reaching innovations in the processes of the textile manufactures, chief among which were the spinning-frame and the spinning-jenny.

The immediate practical results of these were highly important. The factory system almost immediately sprang into vigorous life as their first fruits. But still more important was the fact that the process of development thus started has ever since been steadily going on, and generally at a constantly accelerating rate. It is in these closing years of the Nineteenth Century proceeding with a rapidity and energy never exceeded; and no one who understands the volume of the forces which are operating to produce it would undertake to form the slightest conception of its ultimate limits.

A century of this process of development produced results almost beyond conception. This century brings us down to the year 1870,—a time fresh in the memory of many who still consider themselves young. Of course these results as embodied in the status of society at this latter period are not difficult of comprehension in a general way. They were in

the main the same as those we now see around us. But the vastness of the distance which society had moved in that century, and the magnitude and wonder of the achievement, can only be comprehended after a close study of the details involved,—if, indeed, the human mind be at all adequate for such a task.

The railroad, steamboat and telegraph; the processes of lithography and photography; the rotary printing-press, the Jacquard loom, the Fourdrinier paper machine; the cotton-gin, the sewing-machine, the reaping-machine;—these are but the beginning of the story. They are the striking landmarks of the triumphal progress, known to all the people, and each one of vast importance. But hardly less important in the aggregate than these (and similar other) works of genius, and even more characteristic of the period, is the multitude of minor inventions which were during this century applied to and which powerfully affected every branch of industry. The whole vast aggregate of the forces of production was multiplied many times in effectiveness by the children of man's mind, and the machinery which did their bidding at almost every point immeasurably outstripped in speed and deftness the unaided human hand.

We are all tolerably familiar with the state of things in 1870. Let us painfully try to realize what it was a century before. Strike out, in imagination, the railroad, steamboat, telegraph, and all our modern wonder-workers; bring back the hand-loom and the spinning-wheel; think of the slow canal-boats, and the heavily-laden wagons toiling through the muddy

roads, as the sole dependence for internal commerce. It is a far cry from that ancient day to this recent one. What shall we say is the difference in productive power between the two systems? How much more could a million men working in the modern way produce than a million workers of the olden times?

It is a subject too vast for even an approximate estimate. No man knows, or can know with any approach to accuracy. We have seen several estimates on this point from trained economists. The smallest comparative value assigned by any one of them to the power of the modern way was fivefold that of the ancient. Inadequate, indeed, this seems to us; the general estimate also is considerably higher,—nearer twenty-fold. But let that pass; we will be moderate and take five as the correct ratio.

What, let us now ask, is the capitalized value of these inventions? In the aggregate they enable our industrial world to produce five times as much per capita as could be produced before their advent. What would the world pay for their use rather than return to the old way? What are they worth in dollars?

A question, verily, that would need a vast array of figures for its answer. We shall not try to compute the sum; everyone interested shall figure it out for himself. Yet we may safely assume that it would be an amount of money never before named as actually representing value,—that these inventions constitute the greatest piece of property in existence.

Yet this whole vast property is now part of the Inheritance of the Race. It rests entirely with the people to say what shape its value shall take. And

in that value, of whatever kind it may be, every human being has a right to an equal share.

It may not be true always that the People's Inheritance will relieve no hunger!

We have instanced the industrial inventions of the century from 1770 to 1870 A. D. as a typical portion of the People's Inheritance. We do so in the first place because they exhibit most impressively, and through facts familiar to everybody, the transforming power of ideas on production. But there is another reason for dwelling further on this period. It also demonstrates unmistakably, and by facts familiar to everybody, that valuable ideas are property in the strictest sense of the term, and may be made to yield immense incomes in money.

Nearly all of the important inventions which made this century an era of unexampled progress were in the beginning private property. Generally speaking, each was conceived and developed by some individual, and was held by him or his assigns for a term of years as a monopoly. During this period he had the sole privilege of utilizing his invention; or if he chose he transferred this privilege to others in return for a money payment. The idea which he had originated and brought to practical usefulness was his property just as were his horse, his factory, and his bank account. Tremendous sums of money were realized by the owners of valuable patents, and the conception of ideas as possessing vast money value became too familiar to receive any notice.

But in order that this state of things might exist it was necessary that the State should recognize and

protect property in ideas. When, at the end of the statutory term, such recognition ceased, anyone who pleased was at liberty to use the patented idea. The patent was then said to be thrown open to the public, its power of returning revenue to the originator ceased, and the fact that it had a value expressible in dollars and cents was lost sight of. At this point all the items of the People's Property in Ideas became lost wealth; they disappeared from the inventory of the race.

But here we may profitably stop to inquire: Why withdraw legal protection of the patented idea at the end of a term of years? If property in ideas is a natural right, why does it not exist without limit of time? The State does not cease to protect a man's property in his house or railroad share because he has held them seventeen years. On the other hand, if it is not a natural right, why recognize it as legal property at all?

The doctrine that there is no such thing as property in ideas, and that patents are merely oppressive monopolies, has been largely held and advocated. It is especially championed by the spokesmen for considerable bodies of workingmen,—those who pose as representing the advanced claims of the labor element. We think their position is ill-chosen and unjust, and that if it prevail its injustice will recoil upon their own heads. It is the less favored members of society that have most cause to guard jealously the title-deeds of the People's Property in Ideas.

In opposition to this doctrine we shall attempt to show in the first place the justice and firm foundation in natural right of exclusive property in ideas, and in

the second place the reasonableness and consistency of limiting the property right to a term of years.

The popular weakness of the claim of right for property in ideas seems to consist largely of its helplessness in default of protection from the State. If such a right cannot exist without being bolstered up by the power of the civil arm, the popular reasoning appears to be, it is evident that its moral basis is doubtful. Persons who take this ground very often admit the practical wisdom of granting patents as a stimulus to inventiveness, while questioning the validity of the claim that they rest upon natural right.

Yet property in ideas clearly rests full upon the only valid basis that exists for private property of any description,—the right of labor to its product. Useful ideas, and especially useful ideas practically applied, are clearly the product of labor,—and of very intense labor. Any one who doubts this can easily demonstrate its truth to his entire satisfaction by trying to produce a few of them. If every man have a right to the fruits of his labors, it certainly cannot impair this right that the fruits happen to consist of ideas or applications of ideas. That such ideas are much more easy of unauthorized appropriation than wheat or furniture does indeed add to the difficulty of the police function of the State in relation to them, and in many cases makes impossible any practical recognition of them, but it does not in the least impair the natural right. This right is evidently as large as it would be could the originator use his ideas to their full value without revealing them. But practically he is obliged, in the process of utilizing them,

to make them familiar to the public, and therefore if not protected by law their appropriation is easy. But for the State to veto such appropriation creates no other monopoly than that which necessarily exists in all private property; for it to allow such appropriation is merely a confession that there are insuperable practical difficulties in the way of granting protection to some forms of property in ideas.

The suspicion largely entertained of property in ideas rests, we fear, on hazy conceptions of right. People in general often confuse the validity of a right with the efficacy of its practical protection. It is hard to secure the same popular respect for a man's right to his fruit-trees as to his finger-rings; likewise the seizure of his ideas is so easily accomplished without violence to his person or tangible possessions that to many respectable citizens the offence seems venial. But there is still another incident of property in ideas as it exists in the shape of patents which evidently has a tendency to cause it to be ranked in the popular mind with monopolies. This is the prohibition it lays upon the use of the protected ideas by a *bona fide* second inventor.

If a man make an ordinary chair, it is his property. If another man independently make a similar chair, he also enjoys the resulting property right. But in the case of an idea protected by a patent, the second inventor is *not* allowed the naturally resulting property right. No matter how clearly it may be proved that he has developed his invention independently, without knowledge of his predecessor's work, the latter's priority in time debars the second inventor from enjoyment of the fruits of his labors.

Here we have manifestly a clear violation of natural right by the law-created patent-right. But it is equally clear that it is unavoidable. It is a necessary result of the shape into which property in ideas is put to make it practically available. Such property must be a monopoly, or it has no money value. If a plea of subsequent independent invention were to be admitted as a valid defence to the assertion of the earlier patent-right, of course no such right could possibly be satisfactorily enforced. Claims of independent invention would be brought forward so freely by impostors, and for purposes of obstruction, that defending a patent right would become an insupportable burden, and the attempt to do so would be abandoned.

But although it is impossible in practice to accept subsequent invention as affecting the monopoly of a granted patent, it is evident that it does to some extent undermine its moral basis; and this fact is recognized by limiting the patent-right in point of duration. No such limit exists to a full property-right; if it once inhere in a man it persists unaffected by lapse of time. If there were only the property in the idea to be considered no reason is apparent why patent-rights should not endure indefinitely, like property-rights in general. But the suppression of the natural right of reinventing the patented device, although a necessary incident of an efficiently-guarded patent-right, grows more and more oppressive with the lapse of time. Every passing year makes it more probable that a reinvention would have appeared but for the legal inhibition. The inventor is in most cases merely a little in advance of his race; in default of his inven-

tion the race would not have waited long for a substitute.

Judged, therefore, by the principle which we have accepted as a foundation-stone, the right of property in ideas is clear, beyond reasonable cavil. Its boundaries are not exactly so evident as to need no exposition, but upon examination two points concerning them become manifest: In the beginning the right belongs to the originator; ultimately it comes to belong to the whole human race. Between these extremes lies a debatable territory over which claimants might contend to eternity without reaching a definite conclusion. In such a case the practical necessity of establishing a boundary line gives a moral sanction to any reasonable compromise. The existing time limit upon patents and copyrights is assuredly such a compromise.

Therefore we may conclude that the granting of patents with full monopoly powers but of a limited duration is a reasonable and necessary compromise measure. It merely substitutes for a perfectly valid natural right, of unlimited duration but imperfectly protected, a legal right which, at the expense of certain indefinite counter-claims, is protected amply, but only for a short term of years.

But for the purposes of our inquiry the important conclusion of the whole matter is this,—that out of the hands of its first producer the property in an idea falls into the broad lap of the human race. Its originator cannot long hold it; the claims of his successors are too strong. No one of his successors can lay claim to it: they are too many, and the whole race is too close on their heels. However grandly the

mounted advance-guard may lead the march of the industrial army, the resistless momentum of its movement belongs to the broad ranks of fighting men. The conquered territory falls not alone to the leaders. There are, indeed, rich prizes for leadership, and plentiful spoil for those who head the forlorn-hope, but the fertile fields won and permanently occupied belong to the army, and only to the whole army.

The inventions which in the aggregate constitute the moving force of the Miracle Century form certainly the most striking portion of the People's Inheritance. Probably, fairly judged, they are more valuable, rated in money, than all the rest combined. But they are very far from being all of this inheritance, and their selection as representing it conveys small idea of the range and variety of the People's Property in Ideas.

The complete Property comprises all useful or valuable ideas, of whatever kind, contributed by men to the service of their race. In time of appearance they range from the prehistoric ages to the day of the date hereof. The man of the Neanderthal skull may have developed some rude tool which, in a perfected shape, our mechanics are still using; some workman of to-day is doubtless brooding over an invention which will serve the human race until its final disappearance. In classification they comprise, beside the industrial ideas, which we have already considered rather fully, the literary and artistic ideas such as are now the subject of copyright; the wonderful discoveries in medicine and surgery, which, by the code of honor of a noble profession, have been freely dedi-

cated from their birth to the service of mankind; the homely wisdom of the common people, which lives and grows and renders its modest service in passing from lip to lip; the deep searchings of science, which, lightly valued by the multitude, are yet forging chains to bind the forces of Nature to man's service. It were vain to try to catalogue these riches. They surround and envelope us, as all-pervading and abundant as the air. Whatever task we attempt, they are laboring at our side; whatever we achieve, with them we share the glory. We think we stand erect, but in truth we never cease to lean heavily on vanished and forgotten shoulders. We think we are rich, but it would bankrupt us utterly to surrender the heritage which has come down to us from past ages.

The truth is, a radical readjustment of our current ideas on this subject is greatly needed. We speak of the glorious results of individual effort. They are indeed often glorious, and we would not for a moment dim their proper lustre. But the fruits which we habitually credit to individual effort are in large part due to the ceaseless coöperation of the unfailing Heritage of the Race. Let the man who thinks he has achieved vast fortune as the fruit of his unaided endeavors imagine himself attempting the same feat upon Crusoe's island. Although he would be able, if reared in a civilized land, to take with him much of his inheritance from the ages enclosed in his cranium, we think he would soon see how puny were his own powers matched against Nature. In fact, vast power over Nature belongs to no man; only wide coöoperative human effort,—clasping hands across the gulf of the ages as well as around the earth,—can command her

riches. Civilization and its fruits are communal property.

When the Self-Made Man thinks upon his millions, and in a reminiscent reverie passes in review the career in which he gathered them, his breast expands with pride. But let him gaze farther into the recesses of the past if he would honestly follow his millions to their source. Let him glance back to the prehistoric ages, and trace the slow and toilsome path of his race. Let him think of the long nomadic centuries, the toilsome agricultural periods, the rude beginnings of industry, the slow development of commerce. Let him note with quickening pulse how, as the world draws near the Wonder Century, its forces gather for the conflict. Its furnaces roar, its engines throb; its mighty hosts of industry sally forth to conquer the world for man's kingdom. They are victorious; its riches become the prize of their warfare; man reigns triumphant over the earth-forces; their spoils are gathered together to be the prize of the strongest. And now cometh our Self-Made Man, and by boldly striking out for himself and paying strict attention to business amasseth in a career of some thirty years the results wrought by the travail of all the ages. Verily, he hath cause for musing long and seriously in his reminiscent reverie!

We do not wish to repudiate the well-founded claims of the Self-Made Man; we have no thought of denying to industry its just rewards. But let us render to industry the fruits of its labors; to the whole human race let us render the fruits of its glorious Inheritance,—its Property in Ideas.

## CHAPTER XII.

### THE PRESENT BENEFICIARIES.

IT may be suspected that in our last chapter we have been making a desperate assault upon an empty fort. "Who," we are asked, "maintains the negative? You contend that this Property in Ideas has no other owner than the race. Surely, if this proposition be your objective point, we can put it through by unanimous consent and adjourn the debate. We not only admit that it rightfully belongs to the whole race, but we call attention to the fact that it is now in their undisputed possession. The poorest ward of your Minor Charities has free access to it, and is privileged to make unrestrained use of it; the multi-millionaire has no more, no less. Surely this is equality made perfect."

We admit that this main thesis of our last chapter has never, to our knowledge, been seriously questioned. It is usually granted with a cheerful and even hasty alacrity. But the admission that this property right exists is always accompanied with the assumption that its practical effects have been fully acknowledged,—that the goods have been delivered over into the hands of the rightful owners. As the facts seem to us to be far from justifying this latter conclusion we suspect that the assent is given too easily,—that the real position of our interlocutors is expressed by the World's familiar answer to the pleading and logic of all manner of reformers:—

"Your contention is granted, provided you do not draw any practical conclusions from it."

As we are attempting to establish the position for the sole and express purpose of drawing some important practical conclusions from it, we distrust such an easy-going assent as this. The reasons we have given in our last chapter are, we think, such as will justify the acceptance of our thesis for better or for worse, including all its practical results. We are glad to believe, however, that we have the support of a nearly unanimous sentiment for our theory, even if it go no further. The advance from supporting a theory to accepting its practical results is often a long and hard step; but the pressure of facts and the logic of events are sooner or later pretty certain to reinforce the argument.

Granting, then, that all useful or valuable ideas are rightfully, in the beginning, the property of their originators; that when their claims expire the ideas become the property of the race; that the claims of the originators have expired upon the most valuable ideas of mankind, including those underlying our modern industrial development; that the whole race, without distinction of person or condition, has now full property rights in these valuable (or invaluable) ideas;—granting all these points let us now inquire, Are these property rights practically recognized? Are the heirs,—all the heirs,—actually receiving the due benefits from their several shares in this inheritance?

Our interlocutor evidently thinks that such is precisely the case. He maintains that the property is rendering its benefits to all the heirs; that the poorest

of them has free access to it, and is privileged to make unrestrained use of it. He assumes that this is the same thing as saying that they are enjoying full property rights in it,—that “it is in their undisputed possession.”

But is it the same? Is a privilege to use valuable things freely, in common with others, a full enjoyment of the right of property in them? Let us see.

The sons of the Self-Made Man received at his death a fortune of some millions apiece. But they received also a surprise; they found their father had been carrying an ideal around with him, secreted somewhere in his inner heart. When his will was read it was discovered that he had left half a million to the denominational college of which he was a trustee, and to which,—so his sons thought,—he had been sufficiently generous while living. The sons had free access to the benefits of this bequest if they wished to enter the college classes; they were privileged to make unrestrained use of the educational facilities it maintained; in short, according to our interlocutor’s view, it was “in their undisputed possession.” Yet so far were these young men from agreeing with this most reasonable theory that they spent several thousand dollars in trying to break their father’s will for the purpose of getting the funds still further into their undisputed possession:—that is to say, getting them out of the hands of the college and definitely into their own.

Property to which everybody else has the same right of access as ourselves may be extremely valuable, but it is not *our* property. It may be rendering benefits to the full extent of its value, but we have no

control over them; we do not even know who are the beneficiaries. It is only in ceremonial oratory and rhetorical literature that such property is considered an inheritance worthy of notice. Yet the low esteem in which it is held is due, not necessarily to any actual lack of value, but to the mode in which it is owned and its value realized,—in legal phrase, its tenure.

“But,” says our interlocutor, “property so used *is* rendering value to the people who use it. In this case all the people are free to use it. Since, as you say, it is so immensely valuable, it is fair to assume that all *will* use it. Therefore, whether it is in their undisputed possession or not, they are getting the full benefit of it. If they are not, will you kindly show us who are?”

This we shall be glad to attempt. We shall try to show who are, financially, the present beneficiaries of the People’s Property in Ideas. While we cannot actually claim that its usufruct is spirited away to another planet, and hence confers no benefits upon the people at large, we shall undertake to show that its ultimate distribution takes a form which is far from being generally understood, and still farther from being appreciated at its true value.

Our first impression, in starting to find the beneficiaries of the People’s Property in Ideas, is that there are none. No one seems willing to admit that he has received any money value from this source. The whole vast income seems to be lost.

As a matter of fact, when we come to think of it very few people do use these ideas directly. The valuable ideas which gave us the Wonder Century

of industrial development are somewhat like the Douglas' sword,—they are not to be wielded by every passer-by. They and their applications are highly technical and intricate ; a person requires an extended special education to be able to command their services, even if there be no obstacle but their own inherent difficulty. Then the machinery and apparatus in which they are embodied are also highly intricate and expensive,—far beyond the power of the ordinary citizen to make or to purchase. Altogether it is probably quite well within the mark to say that not one per cent. of the population is at all in the habit of making direct use of the ideas which so miraculously transformed the world. The ordinary respectable member of our body politic and social would be quite unable to say when or where in the preceding day's or week's work he had used an idea from the Inheritance to the increase of his wealth.

But if their use be practically restricted to the comparatively few persons who can command the technical skill and the capital to make them available, what concentrated benefits these favored individuals must receive! The manufacturers and users of this complicated machinery certainly cannot follow the example of the ordinary citizen in "swearing off" their benefits from these ideas. They are visibly using them, largely and constantly, with immense increase of their output or their command of Nature's forces.

And yet if we take this new cue and interrogate the manufacturers and users of machinery and embodied inventions, we shall receive as little satisfac-

tion as from the ordinary citizen. Do they receive any benefits? Not at all. Their business has been going from bad to worse for the last thirty years. The golden age of the industry was before all these new-fangled ideas came in; then there were some profits to be made. As a matter of fact they think the margins on which they work are smaller now than ever before. They have certainly grown decidedly smaller since their adoption of this last great improvement in their special machinery. They had expected to reduce expenses and get a little profit, but their competitors began to cut prices almost before they got the machines installed, and of course they had to follow suit. The whole benefit of the new machinery, for which they had expended a fortune, had gone to the jobbers, who had got their goods for almost nothing, and to the workmen who ran the machines, who made very big wages.

After our previous experience we hardly need to ask the jobbers and the workmen to know that they will deny the soft impeachment. The jobbers, of course, profited not at all by the reduced prices,—they were forced to make even greater reductions to retailers; and when we approach the retailers we shall have a tale of woe to hear concerning the necessary reduction of prices to the purchasers. The workmen's story we all know very well:—nine-tenths of the workmen were dismissed when the new machines came in, and the few who were retained to run the machines, while they made good wages at first, soon began to have their piece-rates cut, and were laid off more freely in dull seasons.

The details, of course, can be infinitely varied to

agree with any one of the branches of business affected, but we find the same general facts urged throughout the whole field of industrial and commercial life:—the increased power with which modern inventions have endowed the world has not directly made the lot of any producer or any distributor a whit easier, or been the means of more richly rewarding his labor. In the tremendous complexity of modern production many new varieties of talent have been called for by newly-arising conditions, and many possessors of such talents have been able to fit themselves into well-paid places in the social economy ; but such benefits are merely incidental. To offset them not a few similar places have been abolished by the march of the new conditions:— the sufferers in these cases have long been trying to find comfort in the fact that such troubles are merely incidental. But for the main stream of benefit from modern inventions we may search in vain from top to bottom of the producing forces. The discoveries which have so immensely aided production have not in the least benefited the producer. Every man feels himself as relentlessly ground between the upper and the nether millstone as ever he was; the effect of the new inventions in removing pressure from one direction has been promptly counteracted by the automatic action of supply and demand in increasing it from the other.

It need hardly be remarked that this universal tale of woe from all ranks of our industrial organization is received with much mutual suspicion. The captains of industry and the workmen, the producers and the distributors, the capitalists and the borrowers face

each other with wholesale charges of duplicity in this respect. It is impossible to make workmen as a class believe that their employers are not enjoying unreasonably large profits. The strikes and other machinations of the labor organizations are an attempt to force a division of these profits, and they proceed in full faith, never doubting that they exist. Contrariwise the employers seem to think and no doubt often do think that the workmen are drawing enormous wages. Their investigating committees prove with smooth regularity that wages expressed in money are steadily rising, and that at the same time the purchasing power of each dollar is steadily increasing.

There is an important basis of fact for these suppositions on both sides. The employers of our day are many of them becoming rich with great rapidity. The number of new fortunes constantly growing up among the captains of industry is ample proof that the general faith of the workmen in the existence of these golden streams is not entirely mistaken. On the other hand the number of workmen who command wages that were unknown a generation since is without doubt considerable, and their golden hoard in the savings banks,—if indeed it be *their* hoard,—has of late years risen enormously. Each class thus thinks it sees the other manifestly enjoying rich fruits from the wonder-working ideas of the People's Property, and each *is* undoubtedly enjoying fruits more or less rich, and which have more or less connection with the gigantic industrial enterprises which grew from the seed of the Wonder Century.

Yet a close analysis of the results on which these

impressions rest will, we think, show them to be incidental, not typical. The money which these men have made has been due, not to any part which the Property in Ideas had in helping along their industrial operations, but to the fact that it supplied a good market for the especial talents or facilities which they were able to command. The Property in Ideas needed great business ability, large command of money and much technical skill to enable it to develop its vast increase in productive power. It had to pay liberally for these,—and it was able to. The expense of procuring the necessary new machinery, new talents and new skill was of course properly chargeable against the results of the new processes, and these results were so wonderful that the expense of their attainment seemed insignificant. But of course the wealth which was amassed in the process of outfitting the Property in Ideas for its campaign of industrial conquest was entirely apart from the real benefits of, or profits from, the Property. These profits are to be ascertained by deducting from the increased productivity of industry the increased cost of operation. They are undoubtedly immense, almost outreaching imagination, and they have fallen to the share of—somebody. But we think that the various ranks of the productive forces of society are both candid and in the right when each one, in answer to our query, Who is the beneficiary? repeats in unison, It is not I.

Our search, therefore, in the field of industry for the fruits of the Property in Ideas has had only a negative result. The Property is ever actively and fruitfully at work in the industrial field, but the

industrial forces are its agents, its bond-servants,—not its beneficiaries. We must seek elsewhere for the ultimate destination of the fruits resulting from its vast productive activity.

To whom then does this rich harvest go, if the workers have no share in it?

Harvests, agricultural and mechanical, spiritual and material, go now, as they have always gone,—to the lord of the harvest. And the undisputed lord of this rich material harvest, as the Property is now held and managed, is that shadowy and mysterious, but none the less mighty and colossal, figure, the prime mover and final governor of all the operations of our productive machinery,—the Consumer.

“But,” we are here reminded, “all producers are consumers also. Why then make all this flourish about the entrance of a new character upon our stage when it is simply made up of the members of society’s productive forces in another aspect? If the Consumer be the lord of this harvest, so is the Producer, for they are evidently one and the same person—or abstraction.”

Nevertheless, we maintain, the Consumer is a new character upon our stage. He is so far from being the same as the mass of producers that most of the latter pass their lives in a desperate struggle with him. Each producer, being a consumer also, does indeed contribute to his existence, but fails to recognize any trace of his own features in the fierce power with which he strives. The Consumer is in a sense the aggregate of all society considered only as consumers, but with this important additional attribute:

—his demand upon the productive forces of society is *expressed in money*.

Each member of the human race has a demand upon the productive forces of society. He is ever calling loudly upon them to clothe him, feed him, house him. But many have only service to offer in exchange for the service they seek. Easy enough, one might think, to arrange a mutual service. Apparently; but such is not the way of the world. Every man when he actually comes to sell his services scorns the services that are offered him in exchange. He looks past them, and sees the glitter of the gold which commands all, and all manner of services. This so powerfully affects his imagination that he ignores all else. Only for this universal power will he labor, but for this he will labor without limit. And all his fellows are like unto him; all the producing forces work with their eyes fixed, not on the services they will ultimately secure, but on the golden master of all services. And lord as he is of the golden mandate which is the desire of all mankind, the Consumer straightway makes himself lord of the harvest that results from their efforts.

It is the potent magic of this mass of golden promise that moves the machinery of production. The Consumer is constantly dangling it before the eyes of the producers. From this store he promises interest for the capitalist, profit for the captain of industry, wages for the workman, margin for the middleman and retailer. But he stipulates that in return for these he must have all the fruits of industry. No matter how plentiful the harvest, it must all be brought to the Consumer and laid at his

feet. His demand is always for more, and his ceaselessly-repeated query to the productive forces is, What is the *utmost* you can bring me for my gold? And the productive forces ever answer, by deeds and by words, with awful earnestness, All that we have, all that we can wrest from the grasp of Nature, will we give for your gold. We must have it : it is our life.

The strife between Consumer and Producer creates one of the most obscure and perplexing riddles of social science. Why should the two wings of society wage relentless war upon each other? As we have seen, the two may be said to be, in a certain sense, one:—every producer is also a consumer; most consumers are to some extent producers. In the serene times of the older political economy they were pictured lying down peacefully together as a happy family, and mutually enriching each other by exchanging goods for money and money for goods. But there is now undoubtedly war between them, despite their close relationship; and its results leave small room for doubt as to which is the lion and which the lamb. Looking at the whole face of society broadly it is evident that the position of the Consumer is infinitely the stronger, and that in general the Producer is being constantly forced to greater exertions to escape being devoured.

We cannot undertake to give more than a hasty glance at the reasons for this anomalous situation. In general we may say that while a large part of the money demand for goods comes from those entirely outside the producing forces, yet the Consumer is largely a Frankenstein created unwittingly by the

consuming individual. The latter, when he makes his simple demand, expressed in money, upon the producing forces of society, thinks it a small matter that it shall be as peremptory as Fate. His claim is so trifling that he feels justified in being harsh about it. Yet the practical result is that his demand and ten million others coalesce into a gigantic ogre, who, when he faces his own creators and in thunderous tones makes his limitless requisition upon the fruits of their labors, is so terrible as to scare all but the strongest of them half to death. Our little consumer, could he see the result of his acts, would never think of starting a force which would thus return to plague him. Yet he and his kind, and his betters and their kind, do, day by day, unite to create these Frankenstein's, under whose ponderous millstones they are made to groan and sweat and agonize over interminable and impossible tasks.

But what rational explanation can be given of the secure mastery held by the Consumer? Why should the producers always be so terribly anxious to exchange their services for his gold? Why should he be able so calmly to assume that any producer will spring up with alacrity at the beck of his golden wand? The exchange of money for services, services for money, is an equal exchange; why should it not be equally sought by both parties? It will hardly serve as a general explanation to assume that the producers are scared; the productive forces of society are captained by men who "don't scare."

Truly, a difficult question: perhaps our subsequent researches may throw some light upon it. But here we may be allowed to say, We do not know; we do

not, for purposes of this inquiry, need to know. Yet one point we may touch upon now before we leave the subject. Money commands the completed fruits of civilization. However small its amount, it is universally available; to that amount it meets all the material needs of life. The services of the forces of industry, on the other hand, and also its growing product, its tools, appliances, and all other forms of working capital, are incomplete. However valuable they may be as means, they need coöperation from other producers and other products to become available for all the needs of life. In the hands of men who can command this coöperation,—such men as the captains of industry who “don’t scare,”—they may be reasonably safe possessions. But in the hands of owners who have only their own services at command these services are the most precarious form of property. Small wonder that the pressure from their owners to turn them into the completed form of property,—money,—becomes intense.

But, reason or no reason, it is a broad-based fact that the Consumer is lord of the industrial harvest. Contrary to the theories of the older political economy the producer is not his equal, but with much self-abasement seeketh him from afar. Contrary to the belief of the workingmen the Captain of Industry does not retain for himself the riches of the Property in Ideas which he utilizes; he passes it on to the Consumer. Contrary to the thesis of the well-to-do, the workingman is not the beneficiary; its benefits slip out of his hands and gravitate to their own inevitable destination. The Consumer is the captain-general of the captains of industry ; out of the fruits of their

activity he pays them wages for themselves and their subordinates, and the necessary expense of conducting their business; but he has no faith in profit-sharing. The net profits are his and his alone.

But in what shape do the profits reach the Consumer? There are, no doubt, many persons who have been consuming more or less of the fruits of industry for so these many years, but have never to their knowledge been invited to share in any distribution of profits. One of these might ask if he be not a part of our personified Consumer, and if so, why he has not participated in these tremendous gains.

He *has* participated. If he have paid five dollars for railroad transportation when the same work would, before the railroads were at his service, have cost him one hundred, he has received a profit—or dividend—of ninety-five dollars from the Property in Ideas. If he have paid twenty-five dollars for a watch when a similar timepiece would have cost his grandfather seventy-five, the People's Inheritance has paid him fifty dollars. If modern industry in any of its protean shapes have given him for a trifling sum service which a hundred years ago could not have been bought with a kingdom, he has received value from the communal wealth which is not made less important by the difficulty of fixing upon it a valuation in terms of money.

This is the final shape which the profit from the Property in Ideas takes. The Consumer absorbs it in the shape of cheaper prices on the articles he purchases. The whole vast property goes to reducing his expenses.

It may very fairly be pointed out in answer to this,

that much of the most characteristic product of modern industry was utterly unknown under the old régime, and hence no price comparisons can be made. No telephones or hand-cameras or bicycles were to be had in the year 1770, for any price. But we may fairly bring this under our general statement by considering such things as being at that date infinitely costly. As these products are now within the reach of millions the reduction from infinite cost to moderate cost is the achievement of modern industrial development. Evidently the only exception that can fairly be taken to our general rule as applied to such cases is that it greatly understates the case. We claim that our communal Property in Ideas has effected a tremendous cheapening of nearly all articles used by man. In cases like those mentioned above it has done this, but it has done much more,—it has given us something new under the sun.

Taking the phrase, therefore, with this rational broadening of its meaning, the Property in Ideas has been used solely to cheapen articles of consumption. This cheapness has inured solely to the benefit of the Consumer. And now let us resolve our Consumer into his elements and discover what *persons* benefit by this progressive cheapening.

Evidently our Consumer is made up of abstract *demand* for consumption, not of persons consuming. The personal element is nothing; the amount of consumption is the important matter. The person who has the largest part in the make-up of the Consumer, who benefits most largely by the cheapening which inures to his benefit, is simply he who is the largest consumer; he who shares least or not at all in the

profits from the Property is he who consumes least or nothing from the fruits of industry.\*

Thus, though the *ownership* of the industrial Property in Ideas resides equally in each member of the race, without distinction of person or condition, the *benefits* received from it are distributed according to *amount of consumption*. Had the Enemy of the race racked his brains to conjure up this system it could not have been made more grotesque. It makes the *right* in the Property and the *enjoyment* of the Property polar opposites,—as far apart as they can possibly be;—the right absolutely equal for all the race; the enjoyment as unequal as the benefactions of the World's Charitable List, which we may safely take to be typical, unsurpassable inequality.

The income of the People's Inheritance,—the vast riches which are produced every year by the use of the Property in Ideas,—are purely a charitable gift to the world. They are here, they are to be distributed, but no living man can claim to have earned them. The men whose concentrated mental toil produced these riches are dead,—and forgotten, “save some few clarion names.” So our personified World,

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\* After the amount of the consumption, the degree in which it is made up of articles of superfluity is the most important matter. For the change produced by the ideas of the People's Property in the processes of supplying the ordinary necessaries,—plain food and clothing and shelter,—has been slight in comparison with the change that these same ideas have worked in the methods of producing the trappings of luxury and display. Therefore it is true, generally speaking, that of persons spending an equal amount of money, he who benefits most largely from the fruits of this Property is he who spends most for the most elaborate luxuries; he who benefits least is he who spends most for the plain necessities.

—kindly, garrulous, anxious and perplexed,—must needs be the almoner to superintend their distribution. Let us credit her with the best of intentions.

She starts out upon her rounds, and meets a thriving man of our middle class. “What are your living expenses ?” she asks him. “Five thousand a year,” he replies. “Truly a good and wise manager; make him an allowance of another five thousand from the charitable funds of the People’s Inheritance,” she says to her steward. Next she meets a highly skilled workman, who, she finds, spends fifteen hundred a year. “An honor to the ranks of workingmen,” she says, “make him a yearly allowance of fifteen hundred from the funds.” Her spirit is beset with doubt, however, when she finds that a laborer whom she next interviews spends only—because he makes only—two hundred and fifty dollars a year. “A dubious case; I fear he is undeserving,” she sighs; “however, I will make him an allowance of two hundred and fifty dollars. I fear it will pauperize him.” But no such doubt troubles her when she finds a poor needle-woman, unable to work because her eyes have failed. “What, not able to make anything at all ! — Has nothing to spend ! ” she exclaims, grieved and pained at such unworthiness. “To try to help such cases is like pouring water into a sieve; I cannot draw on these sacred charitable funds for any such wasteful foolishness.” And she wrathfully orders her coachman to drive away from these purlieus of poverty.

But on the familiar soil of Fifth Avenue and its lesser tributaries her spirits revive; she drops her rueful countenance and solves her problems with smiles and cheerful words. “My dear Mr. Brown-

Jones," she says, " how delighted I am to hear you had such a good year in Wall Street. Fortune always favors the strong and prudent, you know; your family is blessed in having such a good provider. Permit me to put you down for an allowance of one hundred thousand from these funds in my custody ; I could not do less for a man who is able to draw as much for his living expenses from the fruits of his own business ability." And so she runs the gamut of the highly and still more highly deserving, lavishing additional fortunes on every hand to those who can prove that they do not need them.

But her joy and self-satisfaction are complete when she meets upon his doorstep her dearest friend and favorite, Mr. VanA. " You don't say you actually spent ten millions last year on ordinary expenses ! A worthy scion of a noble race. I can easily spare you an allowance of ten millions from my charitable funds of the People's Property; such claimants do not appear every day. Then, beside, the people really owe you twice as much for the magnificent exhibition of living on a grand scale you have given them; it is hard to overrate the benefits to society of such princely expenditures."

—Verily, if the World keep on thinking, and also continue to contemplate the results of her bounty, she will certainly conclude some day that she has not yet acquired the right idea as to who are the deserving.

Our present social organization lacks not defenders. From the Bible we have heard it proved that poverty is inevitable, for " the destruction of the poor is his

poverty";—but the poor in Solomon's day were not the heirs of our mighty Property in Ideas. And Jesus himself said, "The poor ye have always with you";—but he spake thus to men who commanded only the crumbs from Nature's tables, while this generation has inherited the secret of control over her deep powers. From this same arsenal and the work of the same mighty armorer the apologists for our Millionaires have drawn the two-edged sword: "For unto every one that hath shall be given, and he shall have abundance; but from him that hath not shall be taken away even that which he hath." Rightly understood this sword is indeed quick and powerful, but it is not the sword of the Millionaires' apologists. For, as anyone who will read the parable which yields this jeweled weapon will see, it refers to him who hath and him who hath not nobly used his talents or opportunities. We do its spirit no violence when we take it to mean for our day and generation, "The Millionaire-by-Inheritance should show fruits worthy of his millions."

But common and proverbial wisdom and the dicta of the science of wealth also rally to the defence of our present status. "To every man the fruits of his own industry." But no man of this day brought forth these fruits. "If a man were denied the power of providing for his children, he would have no motive to accumulate." We have found a trace of value in this assertion; but no man has or ever can have any testamentary powers over this wealth. It can only descend to the race; it *should* descend to the race equally, without distinction of person or condition. "The wide variations in the distribution of wealth are

ordained by God, because he has made men of unequal powers." But these variations are due largely to favor, not merit ; let us make the distribution of favors equal, and then we shall see how much inequality God has really made. "The distribution of large charitable funds produces a luxurious crop of pauperism." But, as we have seen, the present distribution of these funds,—in the largest quantities to the richest persons,—insures the maximum pauperizing result. There is no other process of pauperizing that has a tithe of the reach or power possessed by the worship of the deity of Display with wholesale sacrifices of seed-grain.

Granting the apologists of our present status all their stock in trade of conservative maxims and wise sayings, the distribution of benefits on the World's Charitable List is almost indefensible. For the World's present distribution of the funds of parental solicitude,—those funds left by parents to their children, and in similar manner,—we have indeed discovered a certain tentative or permissive justification, resting upon the existence of an unjustifiable institution. But for her present distribution of the income of the Property in Ideas,—supposing her to be of mature age and sound mind,—no reasonable justification, or even valid excuse, seems possible. It is not only unjust,—the colossal injustice of our social system;—it is universally detrimental and outrageous in its practical results. It is the apotheosis of Pauperizing the Rich; in it is exhibited the culmination of the development, power and influence of the Beast.

## CHAPTER XIII.

### THE DEFRAUDED HEIRS.

THE People are defrauded of their Inheritance. It has been taken from them and given to various uses,—and largely to the worship of strange gods.

This may seem to some of our critics a strained accusation against our present social system. These may be pleased to point out to us that all the fruits of the Inheritance do go to the heirs, and that practically all of the heirs partake of the fruits. Of course, they say, there is some inequality in the distribution of the fruits, but that is no fault of the system. Everybody has a free and equal opportunity of utilizing the property ; if some are more enterprising than others and utilize a larger portion, the slothful cannot lay it to any fault of the existing social system.

Of the people who are in the habit of talking in this strain we have noticed that, by a strange coïncidence, almost all have been heirs, not only to the Property in Ideas which they share with all the race, but to a more appreciated, if less grand, heritage,—a heritage salable on the stock exchange. Perhaps some illustrations from the principles and customs of inheritance will appeal to their sensibilities.

Let us begin with the tale of The Very Learned Man, and his Bequests to his Sons.

“ Once upon a time there was a Very Learned Man. He had been at one time possessed of considerable

wealth, but had devoted nearly all of it to the acquirement of a library which came to be unequalled in all the world in its collection of books bearing upon the especial field of his study,—‘The Ancient Dialects of the Chinese Interior Provinces.’ At the time of his death almost nothing was left of his wealth except this library, but this was rich in rare manuscripts and valuable editions for which the collectors and museums of the world were thirsting. He had repeatedly been offered immense sums for these, but had scorned all offers, so deeply immersed was he in the fascination of his difficult researches.

“He had three sons, one of whom had tastes like his own, and was, indeed, nearly as well versed in the literature of their common specialty; while the other two had developed mechanical aptitudes, one becoming an electrician, the other an inventor and builder of astronomical instruments. The last will and testament of the Very Learned Man provided that his property should become the joint property of his three sons; but as the great value of the library lay in its completeness, he directed that it should not be sold or otherwise dispersed, but kept together in its entirety for the free and equal use of each of his children.

“The two sons of mechanical tastes vigorously protested against the injustice of this division, and asked their brother of the philological bent to consent to the sale of the library, and a division of the proceeds. They argued that he could, if he wished, retain one-third of the library in lieu of the money, while each of the two mechanicians would receive his share in the only shape in which it would be of any use to him,—in money. Thus, they concluded, the benefit of the property would actually be equally divided, while to keep the library together for the sole use of one son would practically disinherit the others.

“But the investigator of Chinese dialects replied with lofty scorn: ‘You dishonor the name of our father by wishing to turn the priceless fruit of his life-work into

filthy lucre. It is your own unworthiness that bars you from your inheritance. Had you zealously directed your energies to following in your father's footsteps, you need not now be complaining that you are disinherited. Your honored father left, indeed, a noble inheritance, and gave you free access to its benefits; but he could not make you worthy of it. No injustice has been done you; it is because of your stupidity and sloth that you have failed to profit by your opportunities. Against stupidity and sloth the gods themselves are powerless.'"

The atmosphere of Chinese dialects and astronomical mathematics may be considered a trifle rare for demonstrating propositions in applied business principles, so the scene of our next tale shall be laid right down among the people. We shall call it the Tale of the Smith Family Railroad. Of course it will be understood that the events here narrated also occurred "once upon a time."

"Pleasant Valley is a rich farming country lying along both sides of the Pleasant River as it meanders from its source in the northern mountains down past the town of Pleasanton. Its upper and partly mountainous end was first settled by an enterprising pioneer named Smith, who at one time owned vast tracts of land there, and who in his latter years grew quite rich by selling parts of this domain to the incoming settlers. But to enable him still further to develop his holdings he yearned for a railroad to Pleasanton. As his project was considered quite chimerical by the Pleasant Valley farmers he at last determined to carry it out himself; and finally built the road entirely on his own resources and credit. He operated it successfully to the end of his life, realizing enough from its earnings and from the accelerated sales of his land to pay off the mortgage on the property, and leaving the railread almost free from debt as a joint legacy to his six sons.

" Of the sons five were fairly prosperous farmers, living on and cultivating portions of the land their father had won from the wilderness. The other son, William, was of a more enterprising spirit, and beside his farm he had taken up various business ventures in the vicinity, all of which prospered under his guiding hand. He became a lumber and coal merchant at North Fork Station; operated a saw- and planing-mill at Upper East Falls; had a large stone quarry near Rock Hill, from which he supplied the paving-stone for Pleasanton; and, most important of all, employed over one hundred men in his plow factory at Smithville. As may easily be imagined he contributed a large share of the business handled by the Smith Family Railroad.

" Shortly after their father's death this enterprising brother called a family conclave for the purpose of considering the affairs of the railroad. He had few suggestions to make for improving the conduct of the road's business, which had been most ably managed by their father, but one change seemed to him decidedly needed. The father had made each of his sons pay his debts to the road just as any of its other customers did, and they had all rebelled somewhat at this penuriousness, as they called it. Therefore when William proposed that, since the six were now sole owners of the road, they cease charging themselves anything for its services, the brothers all agreed, with decided alacrity. They could easily see the force of his argument, that it was a pure waste of time to charge themselves and then pay themselves, and each of them except William had a rosy vision of the freedom with which they would take pleasure trips to Pleasanton.

" William was not of an imaginative temperament; he had few visions or dreams,—in fact some of his neighbors considered him dull. But he opened a new account in his ledger headed ' Rebates of Freight,' and the credit entries in his Profit and Loss account began to grow to unprecedented figures. His business operations also expanded wonderfully, and freight-car loads of his wares

began to penetrate to regions that had not previously known them. Altogether he had a year of unexampled prosperity. As he piously remarked to a fellow-trustee of his local church, it was a providential mercy that he had been able to lay by something for a rainy day, for when the day came it was a downpour and no mistake! This referred to the shocking discovery which the brothers had made, when the railroad accounts were closed for the year, that instead of returning its comfortable yearly profit, as it always had done under their father's management, the railroad operations actually showed a heavy loss,—a loss larger than the preceding year's profit.

“ Much unpleasant recrimination followed between William and his brothers when the situation finally became clear to the five. They accused him of ruining the business prospects of the railroad by choking it with his heavy freight traffic, the cost of carrying which was a heavy drain on the resources of the road with no countervailing advantage. But William rose to the occasion, as was his habit, and showed his brothers conclusively that the fault was not in the arrangement proposed by him and accepted by them. That was strictly fair and mutual, he maintained; the only trouble was that unaccountable variations in the amount of business offering to him had defeated their calculations. So far as chance had worked the havoc, William of course disclaimed all responsibility; while so far as diligence in business entered into the situation he was able to point out that the trouble was really due to their own default:—that if each of the five had contributed the same amount of traffic that he had, not only would the present painful scene have been avoided, but a substantial profit would have been realized by each in his private business to offset the railroad's misfortunes. Lack of enterprise, incompetence, and sloth, William went on to say, accounted for a great deal of the trouble that some people were pleased to ascribe to injustice.

“ The cogency of William's reasoning seemed to con-

vince, or at least, silence, his brothers for the time being; but it is noteworthy that the board of directors at its next meeting took measures to issue free passes to each stockholder, while requiring that stockholders' freight be charged for at the usual rates. Shortly after this a new freight tariff was promulgated which made substantial additions to the charges upon paving-stone, plows, and millwork."

A third illustration is needed to complete our view of the harmonies of the prevailing social theories, but no well-authenticated case of the kind needed is to be found in our archives. We shall therefore allow Mr. VanA. to recount a dream that recently occurred to him, curiously bearing upon this question; explaining to the uninitiated that Mr. VanA.'s social position gives weight even to such trifles light as air.

"I was sitting in an easy-chair in my library the other night, just before my time of retiring, when I was seized with a sudden curiosity to examine my father's will. I went over to the safe, took out the certified copy, and turned over the pages listlessly until I came to the part bequeathing me the Fifth Avenue house. I read this over hurriedly, when my eye was struck with a provision at the end of the item that I did not remember having seen before. I read it with growing astonishment. It was about like this: after giving me the house with all the proper legal phrases it went on to say: 'Provided, however, that any law-abiding citizen of the United States shall, if he choose, be entitled to claim full concurrent rights with my said son in the use, occupancy and possession of the said house, its furniture and belongings; always, however, respecting my son's equal and concurrent right to the use of the same.'

"I had hardly recovered from my astonishment at this discovery when the library door opened and a crowd of workingmen came in. They distributed themselves

about the tables, and took down and turned the pages of my rarest editions and costliest bindings. I retreated in disgust to the bathroom, only to find it occupied by a lot of dirty urchins, newsboys and bootblacks, who badly needed to use its facilities, but whose presence was none the more welcome to me on that account. Turning back into the hall I found a motley crowd beginning to occupy it, fingering the decorations and furniture, and some lying down on the rugs as if settling themselves for the night. I hurried to my chamber, intending to lock the door and make a last stand in defence of my privacy. It was apparently not invaded, for the crowd had not proceeded so far along the hallway. But when I turned up the light and looked around I discovered that the bed was occupied by two enormous coal-heavers, who had deposited their baskets and shovels at the foot, and pulled the clean sheets up under their grimy faces.

"This was a little too much. I seized a shovel, and with a scream of rage sprang forward to brain the interlopers, when—I awoke. I tell you, I said with real unction, Thank heaven, it is only a dream! I did not awaken a minute too soon. And for the next five years I don't want to hear any more of this talk about the virtue of contact with the people. I have had enough of both the talk and the contact."

Reserving our right to draw a moral from these fables if it should become necessary at a later stage in our investigations, we have these observations to put forward as the obvious conclusions to be deduced from them at present.

(1) A man's right to use property for which he has no use is no benefit to him.

(2) A man's right to use property for which he has but a small use is but a small benefit to him; to a person who can make large use of it, it is a large benefit. The benefit depends, not upon the extent

to which he has a right to use it, but upon the extent to which it fits his needs.

(3) The mere personal use of property is but a small part of what we consider the rights of property. The real owner of property has a right not only to use it himself if he prefer, or if he be able, to do so, but to sell it to one who will or can use it if he be unwilling or unable. A Stradivarius is valuable property to a man who could not draw a clear note from it, because he can sell it to one who can avail himself of its value; a Chicago house is valuable to a man living in Boston because he can lease it to a Chicagoan.

(4) Property rights, to be of any value beyond our personal ability to use them, must necessarily include the power of excluding others from the use and enjoyment of the property. With this power a property right commands the full use and value of the article owned, for if the owner cannot use it directly he can do so indirectly by transferring it to some one who can. Without this power it only commands at most the personal use of the article, for if the owner cannot use it himself he has no exclusive title which he can transfer to another.

(5) A right to use property in common with all the race is therefore devoid of any value beyond the value of personal use. A man who cannot personally utilize his right cannot profit by it indirectly, for he has no right to offer any purchaser except such as the purchaser himself necessarily possesses.

In the light of these principles, let us try to see clearly the process of practice and reasoning by which the apparently fair freedom of opportunity to all the race to use the People's Property in Ideas, really con-

ceals a practically complete disinheritance of the bulk of its nominal owners.

The People's Property in Ideas is owned by a vast number of owners: its benefits are utilized by a vast number of persons. The accurate adjustment of the claims of these various interests is a difficult and complicated problem. How shall it be accomplished?

In seeking to answer this question let us further ask, (1) How is its accomplishment now attempted? (2) How are similar problems treated in the commercial world to-day?

The answer to the first question is very short and plain:—No attempt is made to solve the problem; it is allowed to go by default. There is a general but rather hazy understanding that the property belongs freely to all the race; but there is not the slightest attempt made to secure evenness, fairness, or system of any sort in its distribution. It is thrown out to be struggled for as a man might throw a handful of pennies to a crowd of urchins, and with the same cool unconcern as to its ultimate destination.

The answer to the second question is equally clear and plain, but not so short and simple:—

The adjustment of the claims of diverse interests in the large business operations of modern life is founded on a system of exact measurement. Every man who has stock in a corporation or a share in a partnership has a certain definite amount of ownership or right of participation therein. Every man who uses the services or facilities of a corporation or firm pays a certain calculated amount for certain measured services. Every return of profits to the

stockholders or partners is based upon a proportional division of the money among the shares in interest.

This procedure has become so much a matter of course in all large business operations that the people of to-day have practically forgotten that any other way ever existed. Yet in our law-books there is to this day recognition of a method of land-holding which carries us back to a time when such principles were unknown, and when it was in harmony with the prevailing business methods for two or more men to own and use ground in common with no attempt to define or ascertain the use that each might make of it.

We believe that, as a matter of fact, the only important use which was made of land so held was for pasturage. This is a very simple use, and might admit of very simple methods; — it might not so greatly matter if, when two brothers held a piece of land in joint-tenancy, one pastured ten and the other thirty cattle thereon. The owner of the ten, if he had all the pasture he wanted for his own cattle, might be satisfied without examining the question of the abstract fairness of the division. But it is manifest on the most cursory examination that no business of any complexity could possibly be conducted on such a plan. Until exact measurements were substituted for these nebulous rights the modern organization of industry would be manifestly impossible.

Now it is into exactly such a pasture-field as this that we have shaped the People's Property in Ideas. It is equally free to all of its equal owners, and each one of them can drive his herd of industrial enterprises in to pasture there; and the pasture is bountiful enough for all. But some possess thirty cattle and

some only ten; while some, and these the vast majority, possess none at all, and are forced to tend the herds of their richer neighbors for hire. By reason of lacking the necessary cattle they cannot make any use of their pasture, and of course they cannot sell their privileges in this pasture, because every human being possesses the same privilege. They are practically shut out from their inheritance.

It is here our critics kindly point out that the exclusion of the poor heir from his inheritance is his own fault. "Be energetic," is their advice to him, "be enterprising, be ambitious, be far-sighted, accumulate capital, rise above your fellows, and you shall gain your inheritance."

But an inheritance is usually something one does not have to gain. We fear Mr. VanA. would have been surprised to the border of agitation had he learned from his father's will that the large fortune left to him was to be given into his possession forthwith if he would but bestir himself and fairly earn it. He might say with some force, "If I have to earn it, what's the use of having an inheritance?" And the poor heir of the People's Property may be allowed to make the same remark concerning his alleged share therein.

What use, indeed? It is a crucial question. Does the desperately poor man, from the lowest stratum of the social pyramid, benefit at all by the triumphal march of industry to dominion over Nature? It is very widely doubted; we doubt it very decidedly: even the employers' investigating committees evidently doubt it. They prove that, taking the higher grades of labor, or taking all classes of workingmen

as a whole, their wages do show an increase since the beginning of the Wonder Century. But if we ask them if the poorest of the poor have received their inheritance, they give us a Yankee-like answer with another question, Have they earned it?

We answer, as we have given answer before to this question: "No; they have not. Furthermore, no living soul has earned a pennyworth of this inheritance. It comes as pure charity to whomsoever receives it. Men earn their wages, their salaries, even, perhaps, their profits, to some extent; but no man can earn this heritage. The labor of bygone generations has earned it for all time. It comes to him, if it come at all, as a free gift."

But the prevalence of this idea that the Inheritance must be earned as well as inherited, evidently points to the cardinal misapprehension that has so befogged this question. We refer to the belief that the fruits of the Inheritance are necessarily distributed to the various ranks of the industrial forces. This idea seems to have been simply accepted as an axiom. It is not, in the current literature of the subject, to our knowledge, either explicitly affirmed or squarely denied;—it is simply assumed.

Now as we have shown, we think conclusively, none of the fruits of the People's Property in Ideas go to the producing forces as such, despite the current belief that such is the case. But the facts upon which this belief is founded are these: the Property manifestly needs a most expensive outfit of apparatus and talent to enable it to exert its productive power. The amount of money spent, as capital and wages, for this outfit is so tremendous that it has evidently mon-

opolized the people's attention; and in the meantime the real profits of the inheritance, vastly greater but not distributed in money, slip away almost unnoticed. In fact, the general belief manifestly is that they have no existence.

Thus this money paid to the industrial forces being mistaken for the fruits of the Inheritance, the people watch to see on what principle *it* is distributed, and think they are discovering how the income from the Inheritance is distributed. But this gold which they are watching is plainly distributed as a reward for effort:—whether as wages, profits or interest, it is paid for effort, directly or indirectly. Therefore the inference seems plain that the only way to get this money is to work for it; which is taken to mean that the only way to realize on one's share in the Inheritance is to go to work and earn it or "make" it.

Here we have the genesis, growth and maturity of the idea that this Heritage must be earned, and we find its natural corollary in the generally accepted belief that the whole Heritage is a myth.

Based upon this popular idea that the wages of labor are the profits of business—that the returns from the Property in Ideas are to be sought among the fortunes accumulated in industrial enterprises,—we have had much pretentious inquiry as to whether the lower ranks of laborers share equitably in the benefits of modern industrial progress, and why they are not able to secure a better share than now falls to their lot. And starting from this idea, a sapient attorney for the Millionaires has settled the whole question for us by the

*ex cathedrâ* statement\* that if labor possessed the skill to use this Property, it could absorb and appropriate it; and, by inference, that those who can comprehend and do use it, are now appropriating its entire fruits. But these men, as we have seen, vigorously repudiate this statement, and assert that their task of money-getting is not in the least made easier by their privilege of using the Property. And we have likewise seen that the fruits of the Property do go in great profusion to many persons who would not know an industrial idea if they met one. Evidently this infallible explanation does not reach the root of the matter. The inclusion of the World's favorites is not due to their competence alone, or the bulk of them would never be included; the exclusion of the poor heir is not due to his incompetency alone, for in his unfortunate exclusion he has the company of the highly competent.

We have likened the People's Property to a pasture wherein all men might feed their enterprises,—if they happened to have any on hand. We might extend the idea, and say that any useful talent, power or knowledge which a man possesses may be considered his herd, and that this pasture enables great use to be made of such talent. But all this is very little to the advantage of the laborers who form the bottom stratum of our pyramid. They are lacking in such talent, as well as in the capital for large industrial enterprises. The growth in importance and complexity of the industrial field which is dominated by the People's Property not only does not yield them any dividends on the Property, but has no tendency

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\* W. H. Mallock, "Labour and the Popular Welfare."

to make it easier for them to obtain the wages which the Property disburses.

Of course as machinery increases in complexity and delicacy the wages paid for its construction and oversight are likely to increase. As business operations grow in mass and in intricacy the money prizes which fall to their successful managers will naturally grow in volume. As highly developed special knowledge is more largely called for in matters of detail a larger appropriation must naturally be made to command it, and these larger funds fall to the possessors of such knowledge. But all these changes tend to move the center of industrial activity ever farther from the workman of the lowest class, and largely diminish the relative importance of his efforts. It becomes actually harder for him to occupy profitably his modest ability with each increase in the amount of high ability demanded.

Thus, looking at the People's Inheritance not as a vast wealth-producing property,—which it is primarily,—but simply as a vast market for talents, enterprise and capital,—which it is only secondarily,—we find that no advantage whatever accrues from it to labor of low grade, which means in general the labor of very poor people. Our poor heir is unable to take the advice of our critic to be enterprising, far-sighted, possessed of ample capital. He fails, therefore, to win riches in the field of industrial enterprise which the People's Property in Ideas has opened. According to our critic it is here that he fails to realize his share of the Inheritance, and he fails because he deserves to fail,—because of his sloth, lack of ability, and want of enterprise.

But, as we have seen, even the successful ones in this competition do not here realize their share of the Inheritance. They find a good market for their talents, enterprise, capital; they amass wealth, but—this wealth is not their Inheritance, it is simply payment for the value they have given. We must follow the investigation one step farther,—to the spending of the money we have just seen earned,—before we find the scene of distribution. Here the shares in the inheritance are actually handed out. We have seen how they vary,—to him who spends nothing, nothing; to him who spends moderately, a moderate amount; to him who spends lavishly, a flood of wealth. The less one needs, the more he gets; and that one needs help sorely is reason for withholding his inheritance entirely.

But our critic still pursues us with his claim that this is all a true merit system. “ You deny,” he says, “ that a man realizes his inheritance in the reward of his industry, talents and capital. But it is merely a play upon words. You admit that he does realize his inheritance in the spending of this reward. This is so nearly the same thing that we need not quarrel over it. The important thing is that the Inheritance does finally get distributed in proportion to merit;—that the man who fails to get his full inheritance is he who fails to work effectively; that he who gets his share pressed full and running over is he who works with most energy, enterprise, foresight and capital, and hence with the best and most plentiful results.”

Even were it true that the funds arising from the Inheritance are distributed according to a pure merit system, this would not make the inequality justifiable.

Merit in our generation has nothing to do with the creation of these funds; they grew from the merit of our forefathers. The merit which is exhibited in industrial work is amply rewarded from the fruits of this industrial work. It has no additional claim upon the use of the People's Property in Ideas to make its money purchase more than it otherwise would. If its owners had to spend their money at a price-level which would admit of returning to every idea used in production its full commercial value, no injustice would be done them. On the contrary, if every such idea had its value duly acknowledged in the price paid for it by the consumer, and all the sums arising in this way were gathered into one grand fund to be distributed per capita among the population, exact practical and theoretical justice would be done in the division of the income from the People's Property in Ideas.

But, as a matter of fact, it is far from true that this income is distributed according to merit. Looking merely at different grades of labor this may seem to be so; the poor labor secures a small proportion, the higher grade labor a larger proportion, of this income. But when the wages of labor, and the salaries of intellectual effort, and the gains of acute business management, and the rewards of all activity in any form that we can possibly classify as merit,—when all these are gathered together and devoted to consumption, have we accounted for all the demand that goes to make up our Consumer?

Far from it. Our figure will show the importance of the element omitted. The bulk of this element,—and a tremendous bulk it is,—is composed of the re-

INCOME FROM CAPITAL		
	Income of Large Capitalists. \$2,400,000,000.	
	\$16,000 average per family.	150,000 families.
	Income of Medium Capitalists. \$1,300,000,000.	
	\$1,000 average per family.	1,300,000 families.
	Income of Small Capitalists. \$600,000,000.	
	\$100 average per family	6,000,000 families.
	Large Professional and Business Incomes. \$700,000,000.	
	\$7,000 average per family	100,000 families.
	Medium Professional and Business Incomes and Salaries. \$1,500,000,000.	
	\$1,200 average per family.	1,250,000 families.
	Minor Business Salaries and Higher Wages. \$1,500,000,000.	
	\$750 average per family.	2,000,000 families.
	Medium Wages. \$1,200,000,000.	
	\$400 average per family.	3,000,000 families.
	Lower Wages. \$900,000,000.	
	\$300 average per family.	3,000,000 families.
	Unreliable Wages and Transitory Employment.. \$300,000,000.	
	\$120 average per family.	2,500,000 families.

## THE CONSUMER.

### A QUANTITATIVE ANALYSIS.

THE TOTAL NATIONAL INCOME OF THE UNITED STATES (1890) DIVIDED INTO CLASSES, SHOWING THE NUMBER OF FAMILIES COMPOSING EACH CLASS, AND AVERAGE SHARE OF EACH FAMILY.

The size of each compartment represents the comparative amount of income falling to each class.

The Medium and the Small Capitalists are assumed to be also in receipt of incomes from personal exertions, hence the families set down as belonging in these classes are duplications. The Large Capitalists are assumed to have no income from personal exertions. While there are numerous exceptions to each of these assumptions, it is believed that they represent correctly the general situation.

These figures are based upon data given in Dr. Charles B. Spahr's "Present Distribution of Wealth in the United States." (See remarks upon this subject on the sheet of diagrams facing page 194.)

turn from accumulated wealth. We cannot in the slightest degree associate the idea of economic merit with the ownership of these funds as a whole. Some considerable part of them is composed of the legitimate earnings of living men, and these we may consider as representing merit. The main body of accumulated wealth, however, even in this new country, is in other hands than those of its creators, and their holding of it is absolutely no guide to their economic merit. The only inference we are entitled to make on this point is unfavorable; we know that the owners of the larger holdings are removed from all ordinary incentive to exhibit economic merit, and we know by experience that such are very likely to be pampered. Yet the income of the People's Property in Ideas is distributed to all this wealth on the same terms as to the laborer and the captain of industry.

But even the total demand for annual consumption arising both from the rewards of labor and the return to accumulated wealth comes short of showing the make-up of our Consumer. All existing debts are a demand expressed in money, and their owners hence share in the distribution of the income from the Inheritance. This element we cannot show in our figure because we cannot reduce it with any satisfactory accuracy to annual value. But every fall in the price of commodities, every rise in the purchasing power of a dollar, increases the value of a claim expressed in money, and hence increases the real wealth of all creditors. The owners of these claims are, in general, the same as the owners of incomes drawn from accumulated wealth, and they certainly are not uniformly noted for the economic merit of their

careers. Yet the income of the People's Property is distributed to all of them as freely as to the real workers of our industrial forces,—and in far larger quantities.

Certainly the claim that the income from the People's Property in Ideas is distributed in recognition of economic merit is decidedly weak. It is distributed in recognition of money, and of money only. And the present distribution of money is, as we have seen, in recognition of *some* economic merit and—an intolerable deal of something else.

Thus we find upon tracing the matter into its various ramifications that our poor heir of the Property in Ideas is kept out of his inheritance for many fine-sounding reasons and with many protestations of distinguished regard, but—he is effectually kept out nevertheless. The small share he gets in the profits from the People's Property does not compensate him for the increased difficulty of marketing his labor, and he is left outside the ranks of the conquering army of progress, an industrial outcast.

It is especially and preëminently these people who are the defrauded heirs of the People's Property in Ideas. In a certain sense we may say that each and every member of the race is defrauded of his inheritance, for to no one is it given as an inheritance from preceding generations, and it is an undoubted loss to have the real truth of the matter veiled by confusing circumstances. But the more favored members of society are compensated for the loss of the direct benefits of their inheritance by receiving them indirectly. In fact, even the fairly prosperous workman probably

receives more indirectly than he would get by a direct distribution, the prosperous middle classes very much more, while the World almost exhausts her treasury in heaping these indirect benefits upon the Millionaires. But all that these favored classes receive in excess of their fair shares under a system of direct distribution, is filched from those least able to bear it and least able to prevent it.

It is a pleasant fiction, but a very patent one, that these diverted funds fail to reach their owners because they are used to recognize economic merit. But even were it a palpable truth, it would mark a wide departure from what we conceive to be their true function. "Nature red in tooth and claw," "the survival of the fittest," "the struggle for existence,"—all these conceptions are eloquent of the reward of economic merit. But a society composed of civilized human beings, a society owning the bond of the brotherhood of the race, a society listening all these years to the voice of the disinherited Son of man,—such a society might have a fund for the nurture of merit as well as for its recognition. Well has it been for most of us that the love that shielded our early years cared naught for our economic merit. Even among the beasts that perish parental love suspends the merit test. And assuredly a society that seeks enduring life can afford to feel the yearning of parenthood over its crippled children, can find time to seek the lost lamb, and will go far forth to meet the prodigal son.

It is the attribute of parenthood that seems to us expressed in this boundless gift of the Property in Ideas to this generation from those that are gone. It

is the love of parenthood that society should seek to express to all its children by handing forth the income from this gift equally and freely to all the race, regardless of merit or condition.

This, then, is the specific charge of injustice that we bring against our existing social institutions,—that they defraud the most needy citizens of their rightful share in the race's inheritance from past ages, and bestow it upon those who need it least. It is largely the instinctive but undefined popular recognition of this, we believe, that taints even the millions of the Self-Made Man with the suspicion of wrong, that moves the populace to expect gifts and bequests from the Millionaires as a matter of right, that incites our legislatures to strike at great accumulations of wealth by special taxation.

Of course this is not the only injustice that militates against our social commonweal. We have already somewhat fully considered a most momentous one,—the World's gross favoritism in the distribution of the funds of parental solicitude. But valid reasons forbid any radical dealing with this abuse at present. Then there are yet remaining multitudinous removable blots upon the daily course of life and labor, but these are of minor importance. The evil we are now considering, however, is a monstrous perversion of the simplest principles of fair-dealing, and of such magnitude that it seriously threatens the well-being of society; yet no vested interests would be disregarded, no important functions of the social body would suffer, were it to be utterly uprooted to-morrow.

To uproot this evil, to abolish the Inferno, to miti-

gate the evils of extreme wealth, we now propose a specific and manifestly practicable measure of reform. It is to abandon the mediæval and absurd system of joint-tenancy as a means for equitably distributing the income of the Property in Ideas, and substitute therefor a system of exact measurement of all interests concerned, such as is universally used in large business operations. This would insure that every person using industrially the Property in Ideas should pay therefor in proportion to the amount of such use, and that the revenue thus arising should be divided among the owners of the Property,—that is, all human beings,—in proportion to their ownership,—that is, with absolute equality.

Such a practicable reform must necessarily be capable of being embodied in a measure of legislation. As there is no body possessing the power to legislate for the whole race, our plan must of course suffer the practical abridgements resulting from its confinement to one country.

## CHAPTER XIV.

### THE REDISTRIBUTION OF THE INCOME.

THE crucial question regarding any scheme of social reform must necessarily be, Is it practicable? We may dream innumerable visions of a regenerated world, and lose ourselves in the ecstasy of contemplation; but when the afflatus leaves us and we lower our eyes again to the common earth we find confronting us the same tough old problem of a world that has broken the hearts of unnumbered generations of reformers,— perverse, stubborn, heedless of higher things, deaf to spiritual voices. Can our vision descend to the lowly task of accepting this world as it is, and leading it a few steps higher?

If it cannot, it is no true vision. The guidance the World needs to-day is guidance for the next step. The reformer's vision may show him straight ahead a glittering series of golden steps rising one above another, until, like Jacob's ladder, it reaches heaven, and upon it the angels come and go. But the World sees no ladder; and the only hope of the reformer lies in showing her the first step right before her eyes, with its advantages plainly to be seen, and its height so moderate that it can be easily surmounted from her present level.

We cannot refuse to accept this test. We should not be urging our plea for justice did we not believe it to be possible of realization. We believe that the world as it now is can accept our plan, put it in prac-

tice, and profit by it. We make no demands for a miraculous access of virtue; we do not say, Purify the world for us, and we will make it a heaven of heavens. We embody our hope for an upward movement of mankind in a measure of administrative reform as plainly within the sphere of legislative power as the appropriation of money, which yet we feel confident will burst the bonds of many an industrial giant, and remove many a stumbling-block from the path of the World's progress.

To discuss this aspect of our plea for justice we shall be forced to give its practical embodiment in some detail. This we shall now proceed to do.

And yet before exposing ourselves naked to the shafts of our critics we may be permitted to say a word in depreciation of undue violence. We are very willing to submit our scheme to criticism on the line of its practicability, and equally willing to formulate its details so far as is necessary for the accomplishment of this purpose. But the details are not of the essence of our plea; faults in the details are not necessarily faults of the conception. The practical arrangements for carrying out such a scheme as ours should be the work of men possessing special knowledge of the details involved. If incompetence at this stage of the proceedings debar us from a voice in the matter we should be withheld from discussing the tariff and national legislation on bankruptcy, for the drafting of a tariff or a bankruptcy bill is beyond our powers. Therefore we court criticism upon the general bearings of our proposal, and upon its necessary effects; but it will readily appear to any fair-minded

man that criticism directed purely against remediable defects in the details is a waste of ammunition.

The Property in Ideas has been bequeathed to the people from past generations. But it has had no custodian, and through lack of care, and in default of any system of exact accounting, its immense income has strayed into hands unknown, been wasted and squandered. But fortunately the principal is intact. It is not subject to waste or decay; its value is imperishable. We, therefore, in behalf of the defrauded heirs, appear in the forum of the people, the supreme tribunal of conscience, and pray that a trustee be appointed to hold and administer this Property for the benefit of the heirs;—to make the best disposition practicable of the said Property to the end that an income shall be realized therefrom; to collect, account for and hold the said income; and at stated periods to turn over the accrued funds so arising in equal portions to the proper possession of the rightful heirs,—the people and the whole people: each and every individual soul,—without any distinction whatsoever.

There is only one possible trustee for the whole people and every individual one of the people,—the national government. Acting under authority of this Court it is commissioned to collect the income from this Property by means of “taxes, duties and imposts,” and to divide it in equal portions among the rightful heirs “to provide for the general welfare.”

In short, it is contemplated in our scheme that the national government shall collect these funds under authority of its general taxing power, and cover them

into a special account, to be held, accounted for and disbursed "as hereinafter provided."

The two questions that would first come up for consideration upon attempting to formulate such a measure of taxation as is here contemplated, are, What amount of taxes shall be levied for this purpose? and How shall they be levied?—i.e., upon what persons, acts, or things.

To reach an answer to these questions it will be necessary for us to take up, and attempt to find an approximate solution for, a problem which we have hitherto evaded when it has appeared in our path:—the question, What is the actual income-producing power of the People's Property in Ideas?

The only precedents to guide us here are those of incomes as derived from the industrial ideas upon which patents have been held. The Property to be administered is of exactly the same nature as these patent-rights, and in fact consists largely of the identical ideas, now of course passed into the ownership of the race. It is open to us to propose that our Property shall have its value rated by the same criterion that served to determine the value of ideas protected by patent-rights,—the amount that people are willing to pay for its use, or "what the traffic will bear."

There is very little to be said in criticism of this method when applied by the private owner of a patent-right. It is, indeed, far more likely to result in his being forced to accept less than the real commercial value of his patent, than in enabling him to practice extortion. He has the inertia of custom

working against the introduction of his new idea, and to overcome this inertia is usually forced to concede a substantial part of the benefit of his invention to his customer. His tenure of the property, also, is short, and he must reap his harvest quickly or not at all. This is an additional and cogent reason for his making such concessions in price as will secure the largest immediate adoption of his idea. Altogether, it may be said without exaggeration that the inventor or owner of a valuable idea has in general been forced to content himself with reaping an insignificant fraction of the wealth his invention has given to the world, even during the few years his right is secured to him exclusively.

But the results would be entirely different in the case of the national government as trustee administering the whole of this vast Property in Ideas. Here the inertia of custom would work in favor of the Property, for its ideas would be already in use. There would be no time limit to be considered; the Property would remain in the possession of the people to all eternity unless they chose to surrender it,—a remote contingency. But most important of all would be the fact that the Property would be so nearly all-embracing. With the exception of the small fringe of new inventions still held in private ownership, every idea of industrial value would be controlled by the national government as trustee of the heirs, and escape from its monopoly would be practically impossible.

We shall be forced to revise our conceptions of patent-rights somewhat before we can appreciate the tremendous reach and importance of the ideas in-

cluded in this Property. "Broad" and "basal" patents are much talked of in these times, and some ideas that are very broad and important indeed are now held in private ownership. But the People's Property includes such foundation inventions as the wheelbarrow, the forge, the hammer, the use of a sharp edge for parting asunder, the application of fire to cooking, the use of levers. Compared with such breadth as this the broadest of modern patent claims is narrowness itself. What could a trustee, exploiting patent-rights based on such claims as these, produce in the way of income?

Evidently we are here approaching a *reductio ad absurdum*. The possession of all these ideas as patent-rights in one control would amount to the monopoly of living. However our ancestors of the Stone Age managed it, civilized man simply could not live without these inventions. The processes and ideas of civilization are the very breath of life to the modern world. The exclusive possessor of the right to use them could reduce mankind to slavery; he could make any demand he chose upon the user, "knowing he could not choose but pay." No limits could possibly be assigned to the extortion that could be practiced under such conditions, for "all that a man hath will he give for his life."

But the absurdity is not so much in the value indicated for the Property in Ideas as in the attempt to settle such a matter by the "free contract" system. The question of how much oppression a man will endure to save his life is not within the proper competency of the bargaining process to decide. Absurd though it be, our first attempt to find a way of deter-

mining the value of the Property in Ideas is very much like some current scenes from the real world of industry. Let us not, however, reject the bargaining system entirely as a method of determining values; there is nothing to take its place. Let us merely make it in reality a *free* bargain system, and it will wisely determine for us. Let both parties to the bargain have the free choice to agree or not to agree, and let neither party be daunted by the prospect of imminent starvation or destitution in case he may see fit not to agree. Let the choice be, not merely, To die or not to die, but, To live this way or this other way. Then the bargain becomes for us really a divining rod.

Therefore as a benevolent landlord might reduce the rent to enable his poor tenant to pay up and be square again, let us surrender a portion of our valid claim that we may be able to enforce the remainder in a business-like manner and without harshness. Let us not attempt to collect any royalty on inventions made and applied before the beginning of our Wonder Century—say the year 1770 A. D.\* This would give an available resource for a man who should consider the royalty demanded on the ideas he was using too high, and should prefer to surrender their use rather than pay it. Nobody could claim that to remand an objector to the ideas developed before 1770 A.D. would be equivalent to consigning him to perdition. Civilization of a high order was in full possession at that date; in fact, there are doubtless in our day many

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\* This date is adhered to in this place for the sake of simplicity. It would be necessary to go a few years back of the actual year named to include the main inventions which marked the beginning of the Wonder Century.

conservatives who would pitch upon that period as embodying the culmination of the Good Old Times.

Yet even the surrender of this tremendous slice from the Property in Ideas would leave its commercial value almost unimpaired. The ideas developed before that date were many, far-reaching and important, but they were toilsome plodders. The ideas developed in the Wonder Century, on the contrary, have made the tales of Aladdin's lamp seem tame. It was their wondrous power that so quickened the productive processes that in our day all the forces of large capital, wide combination and keen business acumen can hardly keep them in check. It was this wondrous power, in fact, that engendered the problem we are now attacking. While production was slow and painful, destitution seemed only natural. With productive powers multiplied as if by magic, destitution should apparently have vanished utterly; and we are forced to have recourse to our conception of the Beast to explain its persistence to our day.

But to return to the administration of our Property in Ideas. Limiting it for practical business purposes to the kernel of its value,—the ideas developed since 1770,—we have the task of managing it greatly simplified. It would of course be still further simplified in practice by basing the royalties to be collected upon related groups of ideas, or upon the central and commanding idea in each group. That the Property contains innumerable valuable ideas is a poor reason for making innumerable separate levies of royalty. A firm manufacturing a complicated machine may own a hundred patents covering its ideas and processes, but they do not exact a hundred royalties,—quite the con-

trary. Usually a single payment for the machine, or a single royalty for its use, is made to return to the owners of the patents their whole claim for remuneration. But this process of practical simplification of the details of accounting would reach its maximum development in government management of the whole Property in Ideas. Controlling practically every idea of industrial value, the trustee would be able to select for taxation the ideas of strategic value, so to speak,—those whose use controls the use of subordinate related ideas,—and thus to raise the maximum revenue obtainable from the Property under the fewest possible divisions of classification and with the minimum amount of inquisition into private affairs.

Evidently the aim to be kept in view in public management of such a property would be exactly the same as in the private management of a patent-right,—simply to raise the largest possible revenue from it. Of course some reservations must necessarily be made from this statement; claims of fair and honorable treatment are always in order. But we have already allowed and provided for the principal claim in this direction that seems likely to arise. In general the claims of justice to the whole race would demand that the property be made to yield all it is worth. That is to say, the royalties should be fixed at such a rate as would raise the largest gross sum, making due allowance for the fact that increased cost of goods necessarily lessens consumption:—the charges should be “what the traffic will bear.” In this way we should make the nearest possible approach to realizing in money the full value of the industrial portion of the People’s Property in Ideas.

Considering all these points, then, what shall we estimate to be the total revenue obtainable from this Property?

We have seen that of several estimates made of the ratio in which productive power was increased by the ideas of the Wonder Century, the lowest assigned to the new ways a power five times as great as that of the old ways. Now supposing this to be correct,—and we believe it is very far within the truth,—manifestly, if we divide the present product of industry into five parts, and one of these parts represent the product of the old way, the other four parts represent roughly the value of the new way. This is what industry could afford to pay rather than return to the old methods.

But equally clear is it that industry could not pay out any such portion of her present remuneration for royalties. Most of her present income goes, broadly speaking, to recompensing labor—(and labor here includes profits — the wages of superintendence, and interest—the return to accumulated labor). If we were to lay a tax upon her receipts of four times their present amount, she would be forced to add the amount of this tax to the price of the goods when sold, and the Consumer would be forced to pay it, as he would of course be forced to pay any tax upon the processes of production.

But this tax of four-fifths of the product of industry is evidently too high to be taken as the average. There is no doubt that it is a very moderate estimate of the extent of the power that resides in the Property in Ideas to increase production. But much of this power is exerted in producing wares that, because of

their unimportance, would not warrant such a rate of taxation,—“the traffic would not bear” the rate proposed. Much of the most ingenious modern machinery is occupied in producing articles of pure frippery. Paper-collar boxes, for instance, come (or once came) with beautiful (apparently) carved wooden lids. Now the machinery that executed this imitation wood-carving was doubtless a mechanical triumph, but we could not tax its output four times its present value:—paper collars would straightway betake themselves to paper boxes, and our fine carved-wood tops would cease to gladden us. In such cases,—and they are legion,—the maximum revenue-producing power would be found to reside in a comparatively light tax.

Agriculture is another branch that would fail to produce our estimated rate of revenue. Powerfully as it has been influenced by modern inventions, agriculture has yet made no advance at all comparable with the advance in purely mechanical processes of production. Nature still takes the germinating seed through very much the same old ways, and in about the same old time. We should have to be content with a much smaller taxation than eighty per cent. for the agricultural industries.

Another large part of what we must classify as production that would prove intractable to our revenue scheme is the item of personal services. The services of the physician, the dentist and the nurse have been profoundly modified by the Property in Ideas, but it would puzzle us to make the fact produce revenue. On the other hand, the services of lawyers, clergymen, actors, valets and domestic servants generally

have been very little affected by the advance in industrial processes and ideas. Yet all this mass of personal services must be considered as part of the gross product of industry: it is the only product these workers have to show for their useful labor, and on the other hand it is a product for which the other workers of society must and do pay.

Taking all these facts into consideration in making our guess at the revenue producible from our Property,—and a guess is all that we can reach in this present investigation,—let us assume that on the whole this revenue would be about equal to the present money value of the production of our entire population,—that beside the money now paid by the Consumer for wages, salaries, profits and interest, an equal amount could be collected as royalties on the People's Patent-rights. This would of course double the average cost of articles in general, and it would likewise double the income of the population as a whole. But this new increment of income would be distributed with absolute equality to every human being owning allegiance to this government. The resulting change in the distribution of incomes would be most momentous, and to this we now invite attention.

The gross annual income of our nation of about sixty-three million souls (1890) seems to be generally estimated at about ten and one-half billion dollars. To reach round numbers, let us take sixty-five million as the population, and ten billion, four hundred million dollars as the gross income, giving us an average of one hundred and sixty dollars per head. If these figures seem shockingly small to those unacquainted

Witajcie w naszej bibliotece! Wszystko dla Was  
i dla waszych dzieci. Wysypanie i wypinanie  
książek jest dozwolone.



The Social Pyramid

THE SOCIETY OF JESUIT.

GRAPHIC PRESENTATION OF THE PRESENT DISTRIBUTION OF INCOMES IN THE UNITED STATES BASED UPON THE ANNEXED TABLE.

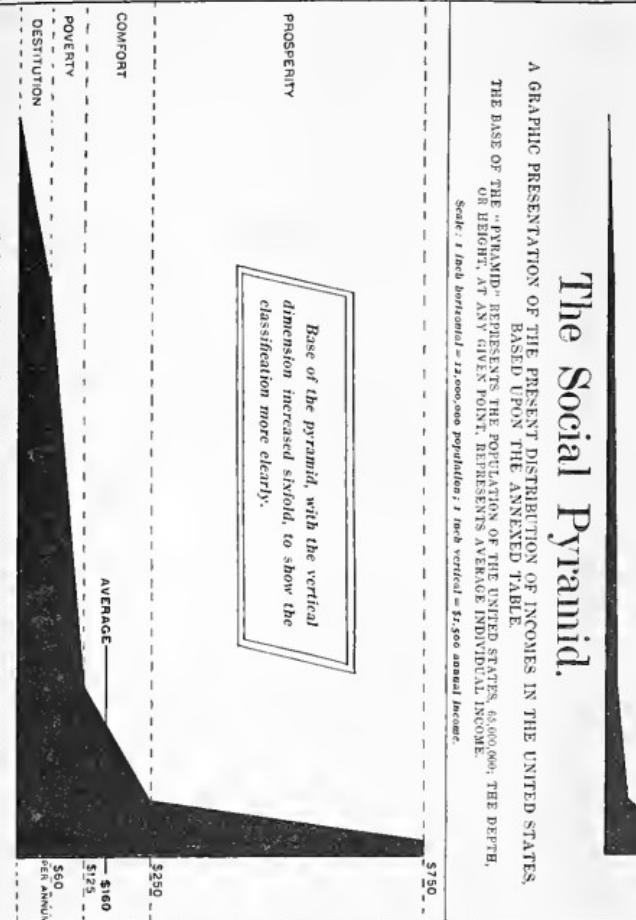
THE BASE OF THE "PYRAMID" REPRESENTS THE POPULATION OF THE UNITED STATES, 65,000,000; THE DEPTHS  
INDICATE THE ANNUAL TONNAGE.

OR HEIGHT, AT ANY GIVEN POINT, REPRESENTS AVERAGE INDIVIDUAL INCOME.  
Scale: 1 inch horizontal = 12,000,000 population; 1 inch vertical = \$1,000 annual income.

On average, a single individual in a household has 14,000,000 people within 1 mile of their home.

*Base of the pyramid, with the vertical dimension increased sixfold, to show the*

PROSPERITY



IDEAS

AVERAGE

LUXURY

Base of the pyramid, with the vertical dimension increased sixfold, to show the classification more clearly.

Scale: 1 inch horizontal = 12,000,000 population; 1 inch vertical = \$1,500 annual income.

SHOWING THE CHANGE PRODUCED BY THE PROPOSED MEASURE OF THE REDISTRIBUTION OF INCOME FROM THE PEOPLE'S PROPERTY IN IDEAS.

The Modified Social Pyramid.

The Modified Social Pyramid.

## The Modified Social Pyramid.

## INCOME FROM THE PEOPLES PROPERTY IN IDEAS.

APPROXIMATE DISTRIBUTION OF INCOMES IN THE UNITED STATES											
PRESENT STATUS				PROPOSED REDISTRIBUTION							
INDIVIDUAL YEARLY INCOMES			TOTAL YEARLY INCOME	ADJUSTED INCOME FROM THE PEOPLE'S PROPERTY IN TENS				REDUCED TO TERMS OF PRESENT PURCHASING POWER			
Range	Average	Number	Total Yearly Income	Individual Addition	Total Addition	New Individual Average Incomes	New Total of Incomes	Range	Average	Total	
\$10 to \$60	\$15	15,000,000	\$253,000,000	\$100	\$2,100,000,000	\$195	\$2,925,000,000	\$80 to \$110	\$17.50	\$1,462,500,000	
\$60 to \$125	\$85	35,000,000	\$2,975,000,000	\$160	\$5,000,000,000	\$215	\$8,675,000,000	\$110 to \$125	\$122.50	\$1,237,500,000	
\$125 to \$250	\$175	10,000,000	\$1,750,000,000	\$160	\$1,000,000,000	\$335	\$1,350,000,000	\$125 to \$205	\$167.50	\$1,675,000,000	
\$250 to \$750	\$450	3,500,000	\$1,265,000,000	\$160	\$600,000,000	\$610	\$2,185,000,000	\$205 to \$405	\$905.00	\$1,092,500,000	
\$750 to \$2500	\$1,250	1,200,000	\$1,500,000,000	\$160	\$192,000,000	\$110	\$1,692,000,000	\$155 to \$1,350	\$705.00	\$10,000,000	
\$2,500 to \$10,000	\$5,000	250,000	\$1,250,000,000	\$160	\$10,000,000	\$5,160	\$1,299,000,000	\$1,350 to \$5,450	\$358.00	\$46,000,000	
\$10,000 upwards	\$15,500	50,000	\$775,000,000	\$160	\$8,000,000	\$10,400	\$783,000,000	\$5,450 upwards	\$763.00	\$51,500,000	
				\$160	\$5,000,000	\$10,400	\$20,800,000,000			\$160.00	\$10,400,000,000

These figures (as to the Present Status) are based upon data given in Dr. Charles B. Spahr's "Present Distribution of Wealth in the United States" (*Thomas Y. Crowell & Co., New York, 1896*). The classification there presented, however, consists of only three divisions,—family incomes under \$1,200 per annum between \$1,200 and \$5,000; and over \$5,000. The present classification into seven divisions is my amplification of Dr. Spahr's, following the data given in his book, when they cast any light on the subject, and for the rest I have based on probability and the analogy of the main classification. The results here given have been submitted to Dr. Spahr, and in their general features were approved by him. Certain minor criticisms which he passed upon them have no bearing upon the purpose of the present work.

It will be noticed that these tables are based upon average *individual*, not *family* incomes. Dr. Spahr's statistics are of family incomes; their reduction to an individual basis is demanded by the treatment of the subject in the text of the present work. It will of course be understood that the average incomes here given are not the actual incomes divided by the number of the direct income-receivers, but the actual incomes divided by the number of the beneficiaries thereof. Thus in the case of a family of six living on a single income of \$1,000 per annum, the average income would be \$500 per annum, although there were only one individual income-receiver.

1927. 10. 1. 10. 30 AM. 2000 ft. S. of town. 1000 ft. E. of

the village. The area is flat, covered with dense vegetation of grasses, sedges, and small shrubs. The soil is a light brown loam.

Obs.

R. J. M. & J. M. K. collected 100 g.  
of soil from the surface. The soil  
was very dry and contained no organic

matter.

Obs.

Soil  
6.512  
Obs.  
Mud

Soil

Yield

Yield

Yield

Yield

Yield

Yield

Yield

with such matters, they are nevertheless substantially accurate, as the reasonably close agreement of different estimates shows; and their smallness is a matter we must face. But it must be remembered that this includes all minors as sharers in the division, so that the average income of a family of five would be about eight hundred dollars per annum. It is on this very moderate income that the average citizen must live, and rear his sons and daughters, and for every excess over this amount which we find enjoyed by the World's favorites and by the energetic and capable we shall find a falling off even from this very moderate standard suffered by the less fortunate.

Now the results of the equal distribution of the Income from the Property in Ideas would be substantially this:—to each person's present income would be added this average income of one hundred and sixty dollars per year. But the actual value of this gross income would in effect be diminished one-half by the general doubling of average prices. Rated in purchasing power as compared with the present, therefore, each man's income would be equal to one-half of his present income plus one-half of the average income. Thus everybody's income would be increased somewhat in terms of money, but in purchasing power all incomes above the average would be reduced, and all those below the average increased. The general leveling effect of this measure will be seen at a glance by reference to the accompanying diagrams and the tables upon which they are founded.

The diagram showing the present distribution of incomes ranges from actual zero upon the left, through a long stretch of slow upward slope near the

levels of Destitution and Poverty, and a quickening upward slope past the levels of Comfort, Prosperity, and Ease, to the soaring pinnacle of Luxury and Superfluity. But in the diagram showing the effects of our proposed redistribution of Income we have lifted the whole population above the line of Destitution, and while our mountain pinnacle shows a less commanding height than before, our Millionaires can take comfort in the fact that it has not vanished. In fact every variation in the present distribution is followed at a discreet distance by our new arrangement, and we dare assert that the diminished range of our scale is yet ample and more than ample to give play to all the inequality that God has made in the economic merits of different men.

A leveling process, to be sure, and yet not a leveling process in the ordinary sense of the term. It is, in truth, rather a process of liquidation,—and only a partial liquidation at that. We have indeed made our Millionaires pay a part of their debts to the People's Property in Ideas, but we have also made everybody else pay his similar debts, and it is only because the Millionaires' debts were the largest that they had to part with the most money in the process. Then we have taken money from the fund thus created to give each individual of the destitute classes his proper share in the race's Inheritance, and thus have lifted them all out of the quagmire of Destitution ; but we have given each Millionaire, and each man of every degree, as was his right, an exactly similar share in the Inheritance. We have laid hands on no man's earnings ; we have not in the least repudiated the maxim that "Every man has a right to the

fruits of his own labor." We have not attempted to level society; we have left it with the free and living inequality wherewith God created it. But we have struck at the inequalities of our present shares in the common Inheritance, and have maintained that all men are created equal heirs of the free gifts which have come to men of our day from the labor of bygone generations.

Before taking up for consideration the general effects of this redistribution of income, let us put into more definite shape our proposals for securing the management and distribution of the revenue from the Property. It is difficult to discuss a practical measure that is embodied in pure generalities.

To distribute the income from this Property as proposed it would be necessary first of all to have an accurate registry of all the people. The local offices where this distribution would be conducted would thus naturally become offices for the registration of all births and deaths. It would evidently be only a step beyond this to have it made also a registry for marriages, and thus have a uniform system for the whole country of officially registering these vital statistics. Few persons, we think, will deny the desirability of this incidental result of our plan.

To secure a complete registration of the people at these offices would evidently be extremely easy. No census machinery would be necessary to go out and compel them to come in. It would naturally be made a necessary prerequisite to a man's sharing in the income of the Property that he register; — and we dare assert that the whole population would forthwith

register, without further persuasion. The necessary safeguards would of course be thrown around this process in the shape of requiring full evidence as to the participant's identity, and guarantees, if demanded, against fraud. Each person would bear the burden of establishing his own identity, and complying with the requirements of registration.

The supervision of these offices of registry and distribution would necessarily be to a certain extent judicial in character. Beside passing upon the sufficiency of evidence concerning identification and dates, the register would probably be charged with discretionary duties in relation to the shares of minors, and would thus exercise in a degree the jurisdiction belonging to orphans' or probate courts. A natural extension of these powers would include provision for retaining the shares of spendthrifts, drunkards, criminals, and defectives generally, at the instance of those legally dependent upon them. The decision of the register in these matters would necessarily be subject to review by a higher court, upon appeal.

To this registry office would come at stated dividend days, or as soon thereafter as pleased them, each and every citizen of the country, to draw his (or her) dividend. He would draw it in the same general manner as a present-day railroad dividend, and subject to the same necessary incidents and precautions. It could if necessary be paid in check or certificate of deposit as well as in cash, and the dividend-receiver who got his check by mail could endorse it over to his grocer if he lacked a bank account. If Mr. VanA. deemed it beneath his dignity to appear at the registry office in person, his secretary or footman

could draw it for him. Of course it may be asserted that people of quality would turn up their noses at these dividends as being simply charity, but we doubt the enduring quality of this disdain. We stake our reputation for understanding human nature upon the assertion that within five years Mr. VanA.'s financial agent would have instructions to collect his income regularly, and would do so; and that the same would be true of the whole social stratum which he represents.

But no compulsion is contemplated here. If a man neglected to draw his dividend it would be held for him a certain time, and reasonable notice given; and still failing to be claimed it would be covered again into the general fund and would go to augment the shares of those who did prize their Inheritance. Our only desire here is to show that the rich would be certain to claim their shares in most cases, and this of itself would be sufficient to establish the fact that no stigma, real or imaginary, would attach to it. This is an indispensable prerequisite to procuring solid benefits from charity and avoiding pauperizing effects.

The collection of the revenue would seem to be a task of entirely different character, and more properly intrusted to the regular collectors of internal revenue. Nothing more than an increase of force in this department as now organized would be necessary,—and probably a comparatively small increase. The collection of revenue is difficult, not in proportion to its amount, but by reason of its detail; and the revenue from the People's Property, arising principally from

a few groups of foundation ideas, would not necessarily involve a great amount of detail work.

It goes without saying that the revenue from the whole country would be counted as one fund, and distributed in equal sums among the whole population, leaving to the local registry offices merely the paying over of the individual shares. To distribute in the city districts all the revenue there collected would utterly contravene the principle upon which we are working, and would result in an inequality of places as bad as the present inequality of persons. Besides, it would result in the whole country trying to flock into the very largest cities, with results highly detrimental to the welfare of the social body as a whole.

The national fiscal year would probably be the best division of time upon which to base calculations. The total revenue accruing in any one fiscal year, the total average population, and the resulting distributive shares, would be calculated as soon after the close of the year as possible, and would become payable at a date as early as would admit of the calculations being completed. But it would be unwise, in fact impossible, to allow the accumulation of such a revenue for over a year. It would therefore be paid out in monthly advance payments substantially as fast as it accumulated, simply leaving to the end of the fiscal year the determination of the exact balance due.

Even this measure would probably leave a surplus constantly on hand. As many persons would prefer to allow their shares to accumulate for a year, each drawing his portion in one lump sum, the amount of funds left undistributed would probably always be

large. It would of course be absolutely inadmissible to allow these to lie in the treasury vaults. A billion dollars abstracted from the circulating medium of the country would create a problem of no mean magnitude. Of course the manifest solution of the problem would be to place the funds where they would immediately pass out to the industrial world again. This would be accomplished either by depositing them in banking institutions, or preferably by loaning them out on time or call loans, properly secured. The average rate of interest obtained could then be credited on the deferred payments of individual shares.

A wise decentralization of these funds would be secured by keeping them entirely in the local registry offices, thus creating a considerable loanable fund in each local centre. If it be urged that this would make the local register rather a banking officer than a magistrate, we may reply that the judicial rather than the commercial banking idea would properly rule in the placing of these funds. No effort would be made to obtain high interest; absolute security would be the *sine qua non*. This could be secured even in very poor districts by joining several borrowers in one bond; and the possibility of securing even limited funds in this way would be a great help to enterprise in rural neighborhoods.

It will readily be noticed that, although we must necessarily rely on the centralized power of the national government for the carrying out of our plan, the details we have here given, and the general effect of our redistribution of Income, all tend rather in the

direction of localization of government functions than otherwise. In fact, the tendency to excessive centralization and the tendency to excessive inequality seem to us to be one and the same thing. While it is impossible to ignore the necessary functions of centralized power and responsibility, and while it would be highly desirable even to have these extended in some particulars, we yet believe that the opposing influences should be carefully maintained. The undue tendency of population to centralize in the cities seems to us to follow and depend on the undue tendency of wealth to centralize in the very rich.

Both of these over-developed tendencies would, we think, be greatly weakened by the recognition of a great wealth-producing power which is absolutely unaffected by centralizing influences. The Property in Ideas could not be in the least bound to any one locality, and while its use would necessarily follow wealth and population, its fruits would be absolutely free to follow its owners. It would be strange indeed if this should not prove to be a powerful agency for restoring the waste places of our rural and village life; and this, too, not at the expense, but to the equal gain in welfare, of our overcrowded cities.

We hope the foregoing details, whatever may be their quality in other respects, are sufficiently realistic to enable us to be understood in discussing the workings of our plan as if it were a present or an imminent reality. To this let us now address our attention.

## CHAPTER XV.

### A NEW CHARITY OF EQUALITY.

THE redistribution of the income from the People's Property in Ideas gives us a society whose salient feature is an universal Charity of Equality, ranking among our Medium Charities in the size of its individual gifts. It is in this one measure that we have embodied our hope for the uplifting of the race, so far as practicable governmental action can now secure it. It is from this that we must show the fruits of peace and good-will on earth; with this most simple spell we must throw our Beast into a charmed sleep of a thousand æons. Are we expecting, are we undertaking to show, too much?

Apparently, yes. For one thing we have omitted to reform. We have found no specific to change human nature. Our reconstructed world contains the same faulty, erring human hearts now so prone to harbor hate, envy, covetousness, and all the rest of the evil tribe. But let us not forget that it also contains the same true, loving, charitable, enduring, believing human hearts whose savor to-day contends with and prevails over the reek of our charnel-houses. It is these latter hearts that have so long borne the brunt of a stern and doubtful fight; and it is they, and not the trifling reinforcements we can now lend them, to whom we must render the honor of victory, if perchance our eyes may be blessed to see it.

But let us not forget that we are still on Mother

Earth, and right down among the people. We are taking our Utopia in homœopathic doses, and are not yet sure we want more of it even if it prove harmless. We are very willing to postpone our experience of heaven if we can only get an earth that gives some signs of kinship with the divine. We shall not rebel if humanity still show a great deal of human nature; we are willing to allow people to think first of themselves, so they be decent selves.

In short, we have not all been totally changed, we have simply come into our inheritance. Many a young reprobate has been permanently sobered when headship and responsibility have fallen upon him. And now the crown of universal opportunity has descended to the race; may we not safely defy all the powers of darkness to wrench this lineal guerdon from us, or cheat us of its fruits?

A deluge of Seed-Grain! Every man, woman and child dowered with the means of self-development! An upward path starting at every doorstep! For even the humblest, a future without a frown! What shall be done with these glorious possibilities?

Here our critic kindly brings us back to hard facts. "What *shall* be done with them, do you ask? What *will* be done with them, indeed? I will tell you. Every man will sit upon his doorstep and gaze contentedly upon that upward-leading path, and meanwhile cheerfully devour his store of seed-grain. And when it is all gone he will say unto himself, I will arise and go unto the registry office, and will say unto the register, Lo, I have no seed-grain. Give thou

unto me from out the public store, for verily there is no end unto the riches thereof."

Now being right down among the people, and having found no specific to change human nature, we have in these forecastings but one lamp by which our feet are guided, and that is the lamp of experience. What is the verdict of experience on this point? As a matter of fact, does our critic give a just statement of the way people under such circumstances do act?

We have no doubt that even to people in no way under bonds to be apologists of the Millionaires our plan will at first blush seem wildly impracticable. We shall be reminded of the effects of government distribution of corn among the Romans; of the attempt of the old English poor-laws to compensate workmen who received very low wages, and of the terribly productive bounty it offered for illegitimate children; of the sickening trail of pauperism marking the way of even Mrs. B.'s thoroughly-investigated charitable routes. Surely such unrestrained lavishness would be unutterably disastrous; it would make all the poorer classes think that the primal curse of Cain had been lifted, and that the public crib had finally supplanted the need of wearying toil.

We think ourselves that our plan is impracticable, as the World rates practicability:—not quite so impracticable as the Sermon on the Mount, but more so than any serious proposal of innovation since the organization of the movement for the abolition of slavery. But this simply means that the World is not familiar with it; impracticability is the first step toward actual acceptance, and progress from this to the later stages is often very rapid in our day. We should not be

seriously proposing as a remedy for a deep-seated disease any measure which did not at first blush appear revolutionary. The real impracticability of our scheme, however, consists of the difficulty which certain hoary abuses will find in living peacefully under its dominion; and this is an impracticability which, with all imaginable disposition to be conciliatory, we shall yet attempt to preserve to the best of our ability.

But however impracticable our measure may be, of one great fault it is most assuredly free,—it has no pauperizing tendency. All our critic's historical parallels fail him here,—this is no Roman distribution of corn, no state premium on unthrift and unchastity, no round of condescending doles. Let our critic bring up his instances, that we may lay them side by side with our measure, and show him where the resemblance disappears. There is only one true parallel to our redistribution of the income from the People's Property in Ideas,—the Medium Charities, which we investigated at the outset of our search.

If our critic will now analyze his horrible examples we think he will find one fact characteristic of all of them,—they all place a premium upon shiftlessness, and penalize the exhibition of foresight and energy. If the poor workman will only get very poor he will be rewarded with a pension; while on the other hand if he display any ability to become again self-supporting he is punished by having his pension stopped. Many a man has been seduced into pauperism by the rewards attached to the step; many a poor recipient of state bounty has been effectually scared out of attempting to escape from his pauperism by the threatened pains and penalties.

This feature is, we believe, invariably exhibited by all branches of the Charity of Condescension, and it is in itself almost a fatal weakness. To give a man money *because he needs it*, is almost necessarily to pauperize him. All our wise rules and insight into the future will hardly save our charitable lists from disastrous results if we make this first tremendous misstep. The contrasted error, to give a man money *because he doesn't need it*, is almost as bad; it differs from the former as cheerful irresponsibility differs from malicious mischief. But either error is sufficient to remove the system guilty of it from the ranks of really wise charities.

The characteristic method of the Medium Charities shows us the only right way,—to give because the recipient has an honorable claim upon the gift, irrespective of need or the opposite,—and to give moderately. Then, when a man has honorably received his gift, let him freely use it on his own responsibility to supply his need. This is the true method for giving without pauperizing; the adoption of this will make unnecessary the World's cumbrous and futile machinery of lists and almoners and strict investigations. This cuts at one stroke the Gordian knot over which the church and society, parliaments and poor-law boards, economists and philanthropists and all the generous-hearted have blindly fumbled for centuries.

This is also the method of our redistributed Income. Right here is the feature of our scheme that our critic needs to study before he rushes his historical parallels up for our instruction. Here is the reason that the recipient of our new Charity of Equality will not simply sit on his doorstep and devour his seed-

grain,—because we have stopped the payment of that time-honored performance. Our critic of course pictures him as operating under the present régime,—as being entitled to a new dole of charity if he can only consume his present dole and get very poor again. But our register will of course promptly inform him that there is now no provision of funds for needy cases,—that all the wealth in his custody is income, belonging in severalty to its several owners. And before another dividend-day comes round our recipient will probably discover that his present income is not forfeited even if he go to work and earn more. Thinking upon all which, we opine, he will ultimately reach the conclusion that elegant leisure is now fallen upon evil days in this country.

There is still another reason why doorstep-sitting will not be popular under our new régime,—we have abolished the social consideration attaching to it. Those who think that all of our present destitute classes would dream their lives away in a care-free paradise if once the goad of hunger were removed, are viewing our new conditions against the assumed background of the Inferno. But the assumption is invalid; under our new conditions the Inferno is no more. A study of the significance of this fact may reassure some of the doubters. Our friend Colonel M., of Kentucky, for instance, has had some experience on this point which he thinks casts light on the question.

“ You know that girl Sally Washington,” he says, “ the daughter of my old slave Pete. Well, she used to be as good a hand in the cornfield as any man on the plantation. But last fall she got a place in Cin-

cinnati, and came back in June with sixty dollars saved up. That settled her; she thought she owned the county. She set up in business as a lady, and has been keeping it up ever since. She walks around the cornfield in bright purple (without much fine linen, however) to show herself off to the field-hands, and is deeply envied by the whole community. When her last cent is gone she'll go to work again, but until then she's rich as Croesus."

Cases like this are probably within the knowledge of all who are familiar with labor of the lower grades, and they are very freely quoted to point the moral that it is useless to try to raise these people. But the moral they really point is, we think, very different. The reason such a slight elevation turns their heads is, that they calculate their height from such a low datum. Of course when Sally Washington has sixty dollars she can indulge the same feelings of exclusiveness and pride in social standing that Mrs. VanA. gratifies with her two-hundred-thousand-dollar ball; and it is just as reasonable to expect the one as the other to do any useful work while swayed by these sentiments.

But this does not prove that only hunger can move the poor to exertion,—quite the contrary. So far as it goes it proves to us very conclusively that human nature is much the same in high and low;—that it turns to seek some ideal as surely as water seeks its level; that there is no human being who will not work more effectively for an ideal than to satisfy hunger. And in a society such as ours, where activity is almost universal, every one not driven by destitution is pursuing an ideal of some kind, rational or irrational.

noble or ignoble. By abolishing the Inferno and providing seed-grain for all we should greatly raise the necessary level of these ideals,—should make it impossible for anyone, millionaire or laborer, to gloat over his fellow-mortals merely because he could live without working. This condition would now be the absolute minimum of social position; and men would strive to rise above this level with the same intensity that they now devote to inferior ideals, and with far more intelligence and effectiveness than hunger can ever evoke.

Now if our critic will withdraw his doleful prognostications and historical parallels we will consider the only true parallel to our redistribution of Income,—our previously considered Medium Charities. From these we may easily discover what is the verdict of experience on this point. And with these cases in our mind's eye let us ask if our critic's pleasant tale be a just statement of the way people in receipt of such incomes, and under such circumstances, do act. Do our middle classes make a practice of devouring their inherited seed-grain and of serenely asking for more when this is gone? Do the inheritors of small patrimonies as a rule forget the future and waste their seed-grain in riotous living?

Our critic will hardly maintain it. Of course, seeing that no class is perfect, he can collect horrible instances if he be so minded; but he knows perfectly well, as we know, and as all the world knows, that the middle class as a whole is typically the thrifty class,—thrifty of both wealth and time. If historical parallels be his forte let him produce an instance of a class of small inheritors of wealth, such as the French

peasantry, who have as a class either wasted their inheritance or allowed it to keep them from exerting themselves. And while he is hunting this precedent we may proceed with our discussion.

It may very fairly be urged that our distribution would place money in the hands of many to whom it would be absolutely new, and that these would almost certainly waste it, with great harm both to themselves and others. "It will take more than medium-sized gifts to furnish a parallel to your Medium Charities," some one might point out to us; "it will take also a duplicate of your middle classes. But you propose to give these gifts to the poorest of the poor,—people who utterly lack the hereditary training in thrift which is so fully possessed by your middle classes. This is Hamlet without the prince of Denmark,—a parallel with the essence of the parallelism left out."

Let us as gracefully as we may acknowledge the large amount of truth in this objection. It is very true that our thrifty middle classes are a necessary part of the favorable showing of our Medium Charities. It is most sadly true that of the very poor so many have been pauperized, and so many more prepared for pauperization, by our ultra-cautious policy of withholding, that much waste will be sure to follow our new distribution,—at first. For it will just as surely follow that the waste will in time,—and no very long time,—work its own cure. The redistributed Income under our plan will train its recipients to thrift just as our present middle classes have been trained,—in the stern but effective school of experience. They will waste their seed-grain to their

own loss; they will see their wiser comrades using theirs to their advantage; and they will slowly but surely imbibe the truth that there is now no premium on the waste, no penalty on the utilization.

“But think of the horrible, wicked waste in the meantime,” says our critic, almost frenzied at the thought. “The idea of teaching the thriftless thrift by giving them good money to waste in the process of learning! The plan is wild, not to say crazy. No man has a right to waste so much of the world’s wealth in teaching himself thrift.”

We cordially assent to the latter dictum,—if our critic can show us a cheaper way of teaching thrift. We do not wish to teach thrift by wasteful methods any more than we would forsake the railway for the stagecoach. But the problem is not a new one, and the waste not a new waste. For lo these many years the funds of the Major Charities have been turned over in huge quantities year by year to the inexperienced and the careless to be wasted,—and yet our critic has never grown frenzied in thinking upon this wrong. It has, in fact, often occurred to us that a cheaper way might be found of training these wards of the Major Charities to thrift. But thrift is a pearl of great price, and if it be finally secured we are hardly justified in calling large expenditure therefor a wicked waste. As a matter of fact, however, the wasted seed-grain of the Major Charities does finally secure—not thrift, but multiplied waste, even unto infinity. It needs not such supersensitiveness to waste as our critic has manifested, but merely ordinary consistency, to see this. But consistency is evi-

dently a jewel among the Millionaires' apologists, judging from its scarcity.

Therefore until our critic can show us a cheaper way of teaching thrift than by experience we shall continue to advocate the old method, for this does undoubtedly teach the thrift, even if the cost be great. And the method we have advocated will at any rate insure this,—that the heavy cost shall be incurred to some purpose, and not in cultivating that culmination of unthrift,—the sacrifice of seed-grain upon the altar of Display.

On thinking over the matter our critic finally concedes for argument sake that the poor may finally learn a little thrift after wasting vast sums of money. "But one thing," he says, "is certain,—you may in the end teach the poor not to waste their money, but you will never again get them to exert themselves strenuously. You have cut the nerve of their capacity for intense exertion. This nerve is hunger. You have made it possible for them to be lazy and still fill their stomachs. That ends their usefulness; no other spell exists that can thrill their sluggish brains. Henceforth for them life is a dream,—a waiting for something to turn up."

A touching threnody, indeed, for our Inferno! Verily, blessings brighten as they take their leave. Hitherto we have not been led to suspect how sweet were the uses of this form of adversity. How often, on the contrary, have we seen Mrs. B. and the lesser lights of her circle take the vows of a new crusade and start forth in all their panoply to extirpate excessive poverty. How often have they bravely

grappled in the darkness with the dread Beast of our quest, and dealt him mighty blows even while his hot breath seared their cheeks. And shall we now be told that the contest was not to the death? — that they fought as honorable foemen? — that the crusaders' honor has been amply satisfied by drawing a drop of blood from the Beast's little finger? Is it true that Mrs. B. after all cherishes the Inferno? — that she thinks carefully-investigated charitable lists and all that sort of thing well enough, but that nothing equals a keen appetite for making the laboring man spry?

We fear it is only too true. We fear our prevailing social philosophy leans heavily on the Inferno,— that it depends on hunger to furnish a large part of the motive power for its productive machinery. We fear that our millionaires and self-made men and people of quality generally, and even our prosperous middle classes, agree with our critic that the poor will not work on a full stomach.\* They have a phil-

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\* Even so fair-minded an economist as Prof. Francis A. Walker, who might with some justice be described as a champion of the cause of the lower grades of labor, permits himself to state this view with brutal frankness in his consideration of the question of Pauperism. "Why is it that the laborer works at all?" he asks; and answering himself he states as a "very obvious truth"—"clearly that he may eat. If he may eat without it he will not work." (Political Economy, page 359, edition of 1888.) Yet elsewhere in the same work he amply commits himself to the support of our present thesis. "A reason . . . for the higher efficiency of the laborers of one class or nation is found in greater cheerfulness and hopefulness growing out of higher self-respect and social ambition." "The stimulus of the lash fails to command the faculties which instantly spring into action under the inspiration of an ample reward. Fear is far less potent than hope in evoking the energies of mind or body." "Much of the indolence we have been accustomed to regard as constitutional . . . is due simply to the absence of incentive." (*Ibid.*, pages 53, 54, 55.) Apparently

osophy of this belief which deals with hunger and the other ills of destitution as "incentives." "Only give a man enough incentive to exert himself," they say, "and he will do the rest." Of course an incentive means something one has not, but wants; and as the victims of the Inferno have nothing and want everything their incentive is evidently sufficient to move mountains. Hence behold what a magnificent accumulation of motive power is available in our Inferno to pull the social chariot. It were surely a pity to spoil it; so Mrs. B. and her circle when they do their alms before men prefer a secret petition to the deity whom they serve that their efforts and prayers to abolish poverty may be accepted in a Pickwickian sense, and that no rash scheme of reform or leveling may be allowed to prevail so far as to blight this earth as a paradise for the people of quality.

But is the monstrous accumulation of "incentive" in our Inferno a magnificent accumulation of motive power? It is not so set down in our philosophy. Nor, we may remark, is this doctrine consistently adhered to in the philosophy of the people of quality. The exception seems to be this: a vulgar incentive such as hunger or strenuous necessity must never be applied to a person of high social standing: God would not sanction it. As we have doubted the soundness of this latter conclusion we may be allowed to dispute the orthodox "incentive" doctrine as applied to the poor of the Inferno. We maintain that a monstrous

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such inconsistencies must be explained by supposing that the subject of Pauperism and the approaches thereto is marked off from other economic subjects in men's minds by a heavy division line, and the whole department labeled "not human."

accumulation of such "incentive" is no source of power at all, but a vital weakness.

The power which we need and must have to operate our productive machinery is compounded of two elements, ability and zeal,—and zeal we may reasonably consider as a product of "incentive." But the philosophy of the people of quality reverses the normal order of these. Ability is the primary factor; zeal or "incentive" simply calls it into action. An incentive has no power to produce ability. The keen yearning of a street-urchin for the good dinner whose distant odors reach his nostrils, does not increase his power to earn money. On the other hand, ability, which consists largely of preparation, does almost necessarily produce zeal, for it enlarges the vision to see the more distant incentives. And herein is an important fallacy of the "incentive" doctrine as applied to the Inferno:—the influential incentive is not the highest one, but the nearest one. The actually effective incentive to the denizens of the Inferno is not infinity, as it should be according to the people-of-quality philosophy, but simply hunger and destitution. The higher incentives are utterly hidden from view and influence by the dominance of the lowest ones.

It is a sad commentary on our fin-de-siècle civilization that it still places so much dependence on these lower motives. Pain, hunger, cold, fright,—these were once honored allies of jurisprudence and religion. In the Middle Ages the rack was esteemed a necessary agency to secure the telling of the truth, and the fagot an indispensable means of instilling correct doctrine. But these uses of torture are passed away, and they have left its retention for economic

purposes an awful anachronism. It has also largely passed away in dealing with the nobler brutes; it is now recognized that the highest capabilities of the horse and dog do not respond to the application of the lash. Yet a large part of our ultra-respectability whose acquaintance with hunger is wholly literary, still stoutly maintains that hunger is an indispensable means of calling forth economic merits.

The whole question resolves itself into this: Shall man be led or driven? If the latter, the way to secure the greatest speed from a runner is to have him pursued by a wild beast. If the former, the way is to train him and develop his muscles, and then offer him a coveted prize of high honor. Those who believe that a poor, starving, trembling wretch, fleeing in mortal terror from a pursuing tiger, could equal the speed of a strong, trained, aspiring runner, may well believe in the economic power of hunger. They would likewise look to see the army of infant bread-winners prevail over the trained and disciplined regiments of modern industry; they would sharpen the faculties of a physician about to prescribe by reminding him that failure would cost him his life; they would force our scientists to guess the riddles of matter and force by the threat of pains and penalties. But those who believe that power, training and aspiration must infinitely surpass the wildest spasms of agony and mortal terror will not build their philosophy upon pain and destitution as an economic force.

In fact driving a man is, in a sense, impossible, for the whole man cannot be driven. He is a dual being,—a brute yoked with an archangel,—and if we choose

to drive we drive only the brute. But it is unnecessary to point out that our civilization rests on the labors of man the archangel, not man the brute. For every man who is driven by cold or hunger or destitution to toil as a brute in the service of society the world unwittingly sacrifices the glad services of a human being,—and every human being possesses within himself somewhat of the archangel. Every toiler who is held to a dull and spiritless round of task-work by the brute-driving forces of cold and hunger is practically forbidden to aspire, and since aspiration and advancement are the distinguishing characteristics of the genus homo, this makes him in effect an outcast from the human race.

This sort of talk passes as silly idealism among people of quality. They have a crushing rejoinder to it: it consists of the question, “Who would sweep the streets, collect the garbage, handle the pick and shovel, mine the coal?—*would you?* These things must be done: if you get every day-laborer started to aspiring after the presidency, you would no doubt have a fine, gilt-edged world, but could any of us live in it? Your pity for the condition of the poor laboring man of course does you great credit, and all that, but at present these things get done, and under your improved system they certainly would n’t. For our part, we prefer the evils we have.”

We fully appreciate this fact, and why our people of quality bear so patiently the present evils — of others. But before trying to provide a way to get our streets cleaned under our new system of redistributed Income, let us call attention to a plain and somewhat important admission contained in talk like the above.

It is this: that labor of the especially severe and disagreeable kinds is not now really free to contract or not to contract,—it is driven by the fear of hunger to its tasks. If it were not so driven, if it had the benefits of really free competition, our people of quality would not be worrying over the possibility that these tasks would be forsaken when once the “incentives” of hunger and destitution were removed. Yet we hear much lamentation from Mrs. B.’s circle that the earning power of the very poor is so small,—that they are so ill fitted to meet the tests of the merit system, and are, under free competition, forced to take so low a place. We begin to think that to double the earnings of the very poor would perfect Mrs. B.’s happiness. But we soon discover, when we propose a measure that seems likely to increase their earning power and grant them the benefits of still freer competition, that we are cruelly wringing the withers of Mrs. B. and her fellow-workers. Evidently the public sorrow of this distinguished circle over the small earning power of the very poor is mitigated by the private conviction that this state of things inures to the benefit of people of quality. They find it cheaper to be charitable than to be just.

But how would we get the streets cleaned, the garbage collected? We would pay for it,—pay what it was worth. What would it be worth? It would be worth enough money to induce a self-respecting human being to give his time to it,—or to invent machinery to do it. It is a well-known and sorrowful fact that much labor-saving machinery could be adopted to-morrow but for the outrageously low cost of the labor the machine would displace. Machinery works cheaply, but

not for nothing; it costs its keep and the charges necessary for its renewal. But flesh and blood can often be had for the bare cost of living,—very poor living,—and nothing said about the cost of producing it. Such flesh and blood is now cheaper than machinery, but our redistribution of Income would infallibly make it dearer. And every other class of labor that is now driven to its tasks it would make dearer, for the slave-whips of the human race,—hunger and destitution,—would be gone. Every kind of work that the World needed done she would have to pay for at a rate that would seem fair to some man who had the world before him as the market for his talents, and the ability to wait as well as to labor.

But one sort of payment that would certainly be demanded,—and conceded,—for such work would be an increased measure of social consideration. If men were free to choose their occupations, they would certainly shun those to which a traditional social stigma is attached. It would follow that if society still insisted on maintaining such traditions, it would have to pay those engaged in work of the kind enough to overcome their repugnance to the stigma. But it would soon be discovered that paying in social consideration is not only much cheaper, but much more pleasant, than paying in money,—that “it blesseth him that gives and him that takes,” and that at every step it oils the wheels of society instead of impeding their revolutions. When this important but neglected truth came to be sufficiently demonstrated, exclusiveness would begin to lose its prominence as a social ideal, and the progress of society in developing great differences in industrial capacity would proceed in

perfect harmony with the concurrent development of true social equality.

And true social equality, be it understood, is not a leveling down, but a leveling up. It does not force the acceptance of a boor as a gentleman, but welcomes the gentleman, even if he emerge from the soil that usually grows boors. It does not say that a railroad president must be intimate with a street-sweeper, but that if the two are congenial no factitious metes and bounds shall hamper them. “Do you wish to dine with a hostler?” query the people of quality derisively. We do not usually wish to dine with those who do not wish to dine with us. And very few unwelcome people would be likely to force themselves on us if all boundary fences were removed. The people who now occasionally take this method of demonstrating that one man’s as good as another would soon weary of the demonstration if our social cleavage lines were not constantly mumbling their shibboleth of exclusiveness.

There is, however, no great difficulty about providing for the doing of any necessary work, even with these social complications added. We have not disturbed the precious institutions of competition and freedom of contract, and they are amply able to care for all the phases of this new situation we have evoked. If the current rate of wages for cleaning the streets grew unduly high on account of the social stigma involved and the large number of street-cleaners who caught the presidential fever,—why, then, the influx of competing talent from the ranks of unoccupied physicians and lawyers would of course lower it again, and at the same time raise the social standing of the

calling. If distress were caused by a strike of the coal-miners, the bookkeepers out of employment could crowd in, to their own financial gain, and the great damage of imaginary social barriers. These beautiful little checks and balances of free competition are well known to all students of economics, and many a stately syllogism has shown us their widespread effectiveness and beneficence. They would certainly not be less effective or beneficial when leading men with the incentives of ambition and self-development than when driving brutes by force of hunger and destitution. But both their effectiveness and beneficence would be shown by their adjusting the rewards, including those of social position, to the difficulty and distastefulness of the work; and those worshipers of the great god Competition who yet think his smiles are not for the very poor might find under these circumstances that he wields a two-edged sword.

This, we fear, is the hard saying of our gospel of opportunity for all mankind; no explanation we can give of it will induce those to whom it is distasteful to walk longer with our ideal of human freedom. For many of those whose desire for a regenerated world is most beautifully keen have no sort of appetite for its burdens. They would have Utopia come by the next express, but stand aghast upon finding that they must help to pay the freight. And as a matter of fact the ranks not only of our people of quality but even of our middle classes would in the beginning be heavily assessed for the costs of bringing in the reign of justice; and the cheap command of the lower strata of labor, which has come to be second nature to these, would be one of the first indulgences that would have

to be sacrificed. The necessity of paying truly living prices to even the lowest class of labor would be a change of such wide significance that it would spring costly surprises upon the rich and the well-to-do at every turn of life's pathway; and when this fact comes to be well understood it will cause the desertion from our cause of many a stout ally from among the people of quality.

But the desertion of such allies is as good as a heavy reinforcement, and is in fact a necessary preliminary to a successful campaign. No serious diminution of the evils of excessive poverty can ever result from a movement so decorously restrained as that which these people would like to conduct. They sincerely wish the very poor to get more money, but upon one thing they insist,—that they shall not get it from its present possessors except as a charity of condescension. And they fortify this position by showing in great detail that the poor now get all that free competition awards them,—and of course no man has a right to more than this. It never seems to occur to them that under some new status such as our redistribution scheme would produce, they—the people of quality—would still get all that free competition would award *them*,—and more of course they could not claim. All of which goes to show that there is all the difference in the world in free competition, and that this difference lies in the fixing of the point from which competition starts. We ask special attention to the fact that it is the readjustment of this point only which we have attempted, and that we have not in the least laid unholy hands on the sacred institution of competition itself.

The assumption, so common among the prosperous, that the poor have had perfect justice and are simply in need of mercy, is largely an anodyne for irritated and painful consciences. It is to a great extent disingenuous, for the prosperous often make the opposite assumption with great candor, as when they thank fortune or some other deity that they were not born to the lot of the poor. Looking the facts straight in the face, and admitting to ourselves what a large share environment has had in fixing our various positions, we cannot but admit a large possibility of influencing the future position of the poor by modifying their environment. The absolute justice and righteousness of the added burden which this would lay on any member of the favored classes cannot but grow clearer the more it is subjected to calm thought.

We have hitherto argued this point upon the basis of justice alone, so far as the favored classes of society are concerned, for the valid reason that justice is the only proper motive to address in the matter of righting wrongs. But expediency has a remarkable way of chiming in ultimately with the conclusions of justice. Very rarely in the history of the race have vested interests suffered as much as had been anticipated from the carrying out of a measure of justice. We are confident that this would prove to be the case with the reform we are now advocating. While at first sight it seems a measure to lift the submerged classes at the expense of those higher up in the social scale, it is in reality a plan to restore health to the whole social body by removing a hideous and exhausting excrescence. The initial burden of the new con-

ditions would undoubtedly fall on the prosperous, but the resulting material benefits alone would more than repay them, leaving the peace of mind they would secure by the change as a clear profit.

For one of the very first results of better-paid service would be better service,—service given joyously, ungrudgingly, conscientiously, with a constant tendency toward improvement, and an earnest desire and aspiration toward the very best. It would be the service of the budding powers of man the archangel, training himself in his humble position for his greater tasks still to come. And those who have spent their lives in a fruitless effort to spur the dull brute man into rising above the bonds of his sodden task-work and eye-service, would feel a burden slip from their shoulders as the influx of strong new hope began to lift with joy and enthusiasm the dead weight that had so long baffled the slave-whips of society.

But better service and better work mean not only increased satisfaction to the employing classes, but increased product. The labor of the very poor would cost more money, but it would immediately begin to result in an increased product, and hence to return more money; and this would diminish the apparent burden upon the well-to-do. It would not be strange, indeed, if the raising of these wages should in the end prove a measure of strictly business economy for employers. The present rapidly-growing supremacy of American manufacturing skill is based upon the cheapness of well-paid labor. But whether working for employers or for themselves the increased efficiency of their labor would of course be a pure gain to society, as a whole. We hope and believe it would

be an immense gain; that with even the humblest laborer working with a reasonable hope, and with the deep-seated energy of far-sighted aspiration, the increase in amount of material wealth produced would be enormous. And we may well trust the ability of competition under the really free contract system to make a fair division of the proceeds.

We do not wish to forget the limitations of our new uplifting influence. We have called in no unfamiliar virtue to transform society, and all that we can reasonably expect from the proposed change, in the aspect we are now considering, is to add the present submerged classes to our middle classes. This would evidently leave us still far from the millennium. One can easily call to mind a whole host of reform movements now in operation that would be needed just as much under the new conditions as they are now. But on the other hand it must be admitted that were even so little as this accomplished our Beast must pine and die. Our social conditions would never have become an acute and menacing problem had the woes and wrongs of our middle classes (including even our poor but advancing and hopeful wage-earners), been the worst question we had to face.

We think it may be fairly urged against our scheme, so far as it has been developed, that it practically ignores one-half of the Beast we set out to kill or conquer,—the disease of extreme wealth. We have extirpated utter destitution, but not excessive riches. In spite of the enormous protest we have encountered from the favored classes at every step, we have yet done comparatively little toward diminishing the danger of tremendous accumulations of

wealth. We have indeed diminished the power of these accumulations by half, but it is evident that even thus reduced it is unduly great. It will be still open to our Millionaires to wantonly waste their wealth, to be deeply pauperized by it, and to pauperize others by the example of the sacrifices in the temple of Display. They can still keep alive the spirit of social exclusiveness, and use their advantages to sow bitterness of feeling between those who must be coöoperators. They can use the power of their wealth, if they see fit, to work against our plans and any plans of reform, and to be a drag upon any good and worthy cause.

They can, but will they? We think not. The rich are amenable to public opinion at least as largely as the poor, and it is through the force of public opinion that we now propose a tremendous blow to the unholy rites of the temple of Display. We would withdraw their audience,—a simple but effective remedy. With the present lower classes and the black sheep of the middle classes gone to work zealously at self-development, there would be no gaping crowd loitering around the temple to see the seed-grain burn. And we fancy that the charm of the sacrifices would thereupon largely vanish, and that even our Millionaires-by-inheritance might be driven to self-development as a refuge from ennui.

That much time would be needed for the development of the results we have traced; that many individuals would respond feebly or not at all to our new influences; that our reanimated society would soon grow its own crop of troubles and perplexities,—all this we may concede without in the least surrender-

ing our main position. We are not trying to make the world flawless, or in fact to deal at all with the consideration of those imperfections incident to all things human. These must be dealt with as they arise, each according to the needs of the case. But we firmly believe that the measure we propose would remove that malign and mysterious influence affecting our social development, whose workings are deeply felt but dimly understood, and the distinguishing characteristic of which appears to be its perverse malevolence,—its power and practice of working evil with the natural agencies of benefit. Under such a system of universal opportunity for self-development we are convinced that the vast power generated by the general effort would inure, and would be seen to inure, to the general welfare. Inequalities and abuses would doubtless survive in plenty, but the onward movement of the race would benefit the individual, and the ground gained by the individual would help the race. The advance of industry, art and science would profit the world even more than it now does; but the hideous human sacrifices under its Juggernaut car at each forward movement would definitely cease.

The examination of these aspects of our plan in detail we must postpone to later chapters, while we turn aside for a time to consider some of the obvious objections to the practical workings of the measure we are advocating.

## CHAPTER XVI.

### PITFALLS, REAL AND IMAGINARY.

It is taking a manifestly unfair advantage of one's auditors to talk so fast and so continuously that they are given no opportunity to relieve their feelings by doing some talking themselves. Knowing that the victims of our loquacity are loaded with difficult questions which they wish to thrust at us upon the first break in our stream of talk, let us now give them fair opportunity. Let us devote this chapter to talking on the defensive,—to patiently considering and answering as best we may the objections which may and of course will be raised against our scheme or its details.

But the objections we now propose to consider are not those which arise from conflicting theories. Those who have accepted or formulated for themselves theories regarding the nature of the Beast, and the proper means for his extermination, at variance with ours, as well as those who assert that he is a myth, will of course look on all we say as fundamentally wrong. Fundamental differences can only be treated by a consideration of fundamentals, and this we do not now purpose to attempt. We hope indeed to examine in later chapters the relations of our theory and plan of procedure to the prominent schemes of social reform now occupying the public eye. But our present attention shall be given to the examination of such objections as naturally arise from the public in

general,—those persons not biased by the conscious acceptance of any definite theory dealing with these matters.

And first as to the question of its practicability, considered as a burden laid upon the taxpayers and a task upon our governmental machinery. A man need not be an adherent of the extreme non-interference school in his ideas of the proper functions of government to receive a shock from the mere immensity of our proposal. To collect a yearly tax of ten and a half billion dollars! — it almost takes one's breath away to think of it. The British government, indeed, did during the Napoleonic wars appropriate and spend in the neighborhood of one-third of the national income. But did any civilized government ever tax its citizens to the extent of one-half their total income? And all this proposed in a time of cloudless peace!

We have no explanation or apology to offer for the size of this proposed transaction. It is a large measure; it was intended to be a large measure; it was framed with the intention of securing large results. But we can very easily fall into serious error in our consideration of it by comparing it with the tremendous taxation of the British government in the early years of this century. This latter was a burden pure and simple. The wealth which the government took was mainly consumed in the terrible holocausts of war, and left nothing except death and suffering to show for it. The wealth which under this scheme our national government would collect would be at once turned over to the proper owners, to be expended at least as wisely and productively as is usually the case with private wealth. There would be no burden

on the nation as a whole except the pay of the tax collectors and distributers,—it would be a mere shift of income. And the shifting would be entirely in the direction of those who had the most profitable use for, the greatest need of, and strongest moral claim upon, the shifted income.

Of course there would be abundance of burden involved in the levy and collection of these taxes. As this is a part of the main reason for advocating this measure it would be useless to attempt to apologize for it. But one important fact should be noted here,—the burden does not in the least lie upon the processes of wealth - production or distribution. We strike no blow at the power that moves the world. No manufacturer would be forced to close his mill, no semi-annual dividend would be passed over, no merchant would be straitened, no workman would be thrown out of his situation by these taxes. They would of course be directly collected from the industrial and commercial forces, and equally as a matter of course they would be straightway added to the priees of the commodities going out from these forces to supply the world's needs. The Consumer would of course pay them,—he could not choose but pay. He could of course protest, and diminish his consumption; and at the upper end of the social scale he naturally would do the latter. But any diminution of consumption here would of course be balanced by the increased consumption of society below the median line. And in the meantime the power which keeps the faculties of the industrial forces tensely strained upon wealth-production would never for one instant be intermitted.

Still another important fact let us note about this new burden,—it does not strike capriciously or at random. It is not laid upon some one form of property, which by pure chance a man may have or not have. It does not pass by the Millionaire to strike down the poor widow; it cannot possibly ignore the rich despoiler of seed-grain to rest its weight upon the busy man of affairs. It does not strike at great accumulations, but only at their dissipation; it does not strike at great earnings or profits, but only at their use in free-handed living. It rests upon men substantially in proportion to their ability to bear it, and if it tend to retard any social movements, they are those that make the nation poorer.

But spending money is of course necessary and proper, and so far as these taxes fall on beneficial expenditure they can only be considered as a burden pure and simple. And it must be admitted that they would not only burden—or rather unburden—the very rich, but would also fall on those whom we would gladly spare,—the merely prosperous, and even many who consider themselves unprosperous, but whose income and expenditure are yet above the average for the nation. But it must be remembered that this is not primarily a leveling measure;—it is simply a measure of plain justice. It does not by any means establish the exact distribution of wealth which a wise despot would decree, but it does abolish the worst of the existing social sores, and it does this not by any revolutionary departure, but by the mere recognition in practice of a principle which has been universally adopted in theory. That any such change must necessarily work some hardship is of course certain.

We must all regret that any wisely-used wealth should be taken even in the name of Justice, but such cases will often occur. To try to turn Justice into a mere dispenser of sugar plums would be both futile and ridiculous.

But as we have before urged, a measure of justice is rarely so terrible to experience as it is awful to anticipate. Even those who would apparently be the greatest sufferers by the redistribution would find a large solace for their smart in the return of their share of the Income. To tax a man a thousand dollars and return him eighty may seem like an insult, but it would not in the least have this appearance in reality. For the despised little income from the Property in Ideas would have one attribute which is as rare as diamonds in the business world of to-day,—it would be *sure*. In the heyday of a man's prosperity it would perhaps be scornfully neglected, and allowed to lie and accumulate in the registry office; but with what deep thankfulness would he turn to claim his birth-right when misfortune came or old age descended upon him. Many a sleepless night would it save a man whose all is embarked in some doubtful enterprise if he knew that he had one dependable resource on which to count in the day of adversity. Many a strained nerve would be eased, many an anxious foreboding would be stilled into sweet sleep by the thought of an indefeasible share in the Inheritance from the Ages. We believe it would be impossible to overestimate the influence of this one rock foundation amid our shifting sand in replacing with sanity and serenity of mind the fever and strain of our modern life.

But even leaving out of account the solace of the return of Income, the payment of the initial taxation would not be by any means so difficult as its magnitude would seem to indicate. It would be a taxation paid simply in the price of a purchased article, and, as we all know, people often pay such taxes, even when quite heavy, in blissful ignorance of being taxed at all. It has required much angry vociferation on the part of the tariff reformers to make the people understand—rather hazily—that the tariff is a tax. And there is a good reason underlying all this seeming obtuseness. What man in his senses would not rather have the prices he was paying doubled than have his income cut in half? In the former case the taxation is at his option to a certain extent,—he is not forced to buy. In the latter the tax is unavoidable.

Now if any man of our prosperous middle class were asked if he could endure being taxed to the extent of half his income he would probably reply in perplexed horror, No, never. But if any man who was in early manhood during the years immediately preceding the panic of 1873 were asked if he could then have lived on his present income (stated in currency dollars), he would in a majority of cases be forced to reply that he *did* then live on *less*, and did not consider himself especially pinched. Yet to go back to the price levels of 1870-73 would tax a man almost half his present income.\* And this is sub-

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\* Taking the number 100 as representing general commodity prices in 1873, the corresponding number for 1897 was 57; or, in other words, \$57 in gold would, in 1897, buy as much of the general purchasable articles of human desire as \$100 in gold would

stantially the taxing effect of our proposed measure (ignoring for the moment the redistribution of the tax as Income):—it would take us all back to the price levels of 1870-73 with our present incomes.

Is this such a terrible thought? Is this too great a price to pay for the abolition of the Inferno and the extension of the opportunity of self-development to the very bottom stratum of our social pyramid? Looked at with our financial microscopes it may seem so: human life and hope and happiness are lightly valued in Wall Street,—the vested interests have the right of way. Yet measured by the cost of our political freedom in the Revolution, or the cost of freeing our land from the blight of slavery in the Rebellion, the cost of giving freedom of opportunity to our submerged classes would be trifling. Yet who now thinks those agonies of national birth and of regeneration too costly? But questions of cost, Wall Street standards, cannot properly be heard in this court. It is enough that this new gift of freedom would be a measure of justice as were the earlier ones.

What society would lose in going back to the price levels of 1873 is substantially what society has gained since then in the fall of prices. How shall we appraise this gain? What serious and worthy advance has society to show for this doubling of its command over nature? Can anyone seriously maintain that its happiness, its health, its power to face the real prob-

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buy in 1873. In 1873, however, a dollar meant to the people of the United States, a paper dollar; a gold dollar being worth \$1.13 in paper money. Therefore a given amount of the current money in 1897 bought almost exactly twice as much as the same amount of the current money in 1873. (Since 1897 the general level of prices has risen somewhat.)

lems of life have been doubled? Does anyone really believe that this increment of effective income has been wisely spent? that it has gone for the essentials of right living, and not for frippery?

We think it will be generally admitted that this query must be answered in the negative. Much pure benefit has undoubtedly accrued to society from this great fall in prices; the aids to right living have been made more easily available and have been availed of more freely. But a strong opposite tendency shown in such periods cannot have escaped the notice of the observant. It is to look on added purchasing power through the fall in prices as a license to self-indulgence. As the prices of necessities fall, luxuries tend to take their places. The silk dress replaces that of cotton or wool, embroidery makes its appearance on handkerchiefs and undergarments, jewelry increases in quantity and costliness, and brie-a brac, pictures, and all the paraphernalia of expensive living grow in quantity and elaborateness. The sensuous delights of delicacy and softness, the fastidious refinements of taste, the sensitiveness of the stimulated critical perceptions expand in importance until they fill the whole life. All our friends and neighbors seem to be treading this primrose path; how can we leave their pleasant company and turn to face the rugged ways that lead upward?

Under such circumstances it requires a Spartan courage to cast aside the seductive hindrances and spend one's money and energy in the pursuit of the eternal verities. Too often the multiplied opportunities which social progress puts in our hands slip away unperceived in the steady growth of luxurious

indulgence. A generation of the world's progress \* doubles our opportunities; and when we come to take account of stock we find it has almost doubled our indulgences, while we still plead our poverty as loudly as ever in excuse for our tolerance of the Inferno and other social iniquities.

Now we well know that laws and institutions do not make virtue, and that opportunity does not make vice. But as helps and hindrances their influence is most potent, and we shall do well not to ignore them in considering these questions. Why does society so easily expand into these indulgences as soon as the power to command them is given to her? A large part of the explanation is undoubtedly to be found in the manner in which the neglected income from the Property in Ideas is distributed. We wish to draw especial attention to this as a fact of the widest significance.

To reduce prices is, as we have seen, equivalent to a gift of money; to increase prices is equivalent to taxation. Yet just as people do not know they are being taxed through high prices, they do not see they are being entrusted with a legacy from the race when it is given to them through the medium of lowered prices. The gift is secret; it is a coin dropped in a man's pocket without his knowledge. He finds it there to spend, but is innocent of any obligation accompanying it. He cannot know for what reason it was given him, if he receive it unwarned of its significance.

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\* No implication is here intended that the fall in prices since 1873 has been due *solely* to the progress of invention and increase in industrial efficiency. We think it plain, however, that this has been the principal and typical cause.

How imperative, then, the need that the meaning of this Heritage of the Race be sounded in clarion tones to every heir. He should know that the riches in his hands are sacred; that they were won for him by the slow upward toiling of his ancestors; that he is unworthy of the gift if he do not receive them as a sacred trust to be used for the continuance of the progress,—as help to self-help. Given with this meaning conveyed by all the circumstances of their origin and distribution, these funds would appeal directly and powerfully to the manhood of the race. Given as the fruits of overproduction, as unvalued crumbs fallen from plenteous tables, they appeal only to the instinct for self-indulgence, the almost universal underlying tendency to relax into sybaritism.

When this expansion into luxury has gone beyond the obvious and immediate desires it begins to develop into the worship of Display. The indulgence of a man is kept up to a certain point by motives of ostentation,—by emulation of his richer neighbor's display on the one hand, and determination to outdo that of his poorer neighbor on the other. Thus society, even far down into our middle classes, resolves itself into a long procession facing and striving toward the temple of Display, and men are ranked in this procession by the amount of seed-grain they devote to the worship of the idol. And with this glorious deity richly worshiped in his central temple, and the long line of aspirants crowding up to the temple gates, we need not seek further reason for the fact that the industrial gains of society secure for us so little advance in the essentials of right living.

Now to retrace our steps to the price levels of 1873 would be difficult in one way, for it would shake us out of many of our cherished indulgences, but it would be easy in another, for a man would not lose his place in the procession. The funds of display would be tremendously shortened, but each man would suffer in due proportion, and the sting of his deprivation would be largely gone when he found his neighbors bore him company. Life would soon take up its cheerful round again, and the world's welfare would be fully as well served with only half the amount of seed-grain contributed to Display as it is now.

Thus even considered as a pure burden our new taxation could hardly be called insupportable, so far as it would affect the more favored classes. The abstracted funds would, indeed, leave some worthy causes straitened, but in most cases they would only strike at self-indulgence. And considered in any full sense no burden would exist, for the new distribution of Income would place a force at the service of society of which we have not yet described even a foretaste. But this subject we shall pursue more largely elsewhere.

The collection of this Income in the shape of taxes and its division among the people in equal shares, would be undoubtedly a large task laid upon the national government. There is a strong sentiment at present amongst many of our best citizens against any such extension of the functions of government. "While our present governmental operations are so outrageously misconducted," they urge, "it would

surely be a fatuous policy to extend them largely. First let us secure a clean and businesslike administration of those offices our government is already discharging, and then we can consider upon its merits any proposition to extend its sphere."

It is impossible to ignore the force of this reasoning. It is undoubtedly the servant who is faithful in his few things who should be made ruler over many. But in the case of a popular government such as ours it is hardly open to us to consider the office-holders simply as the servants of the people. It is more nearly correct to say that the people and the office-holders are one and the same body. We think most persons who have examined the matter will bear us out in saying that the faults of our civil service are largely the faults of the average citizen. This estimable person is largely resigned to the low standard of capacity for office-holding because he very often thinks of himself as a possible office-holder:—raising the standard would be raising the bars against himself. But he rarely thinks of himself as the principal for whom the office-holder is transacting business, and the reason is largely, we opine, that the business in question seems to be beyond his immediate concern. He is not taxed by the national government,—to his knowledge; he does not actually feel the benefit from the money spent for fleets and armies, lighthouses or the consular service. He therefore lacks acute demonstration of the evils of incompetency and sloth, and of the value of thorough equipment and zeal in the civil service.

Now so far as the inefficiency of our civil service rests upon popular apathy, the indicated medicine is

certainly to provide a cause for strong popular interest in its results. A man's participation in the income from the Property in Ideas would certainly constitute such a cause. If every citizen were watching the conduct of the civil servants with a clear understanding that the size of his share of Income depended largely upon their efficiency, we fancy such apathy would die a sudden death. The collection of the Income, and every incident of its administration and distribution, would soon come to be scanned and criticized with the same close attention that a man gives to his private business. Looseness in the conduct of the public interests would soon come to seem intolerable to our average citizen; the civil service would be forced to take unto itself those qualities of alertness and competency which distinguish workmen who are ever under the eye of a judicious, discriminating taskmaster.

We think this method of reforming the civil service the true one, and feel confident that the very highest order of merit would soon be secured by its operation. This would be highly desirable, and even necessary, for, entirely apart from any question relating to our present proposals, a great extension of governmental action in the near future seems inevitable. But for the purpose of executing the trust which we desire to place in the hands of the general government no especially high level of ability would be necessary. No large powers would be placed in the hands of the officials executing the laws. They would only act within the narrowest bounds of delegated authority,—administrative in the collecting, judicial in the disbursing of the Income. It would, indeed, call for

much technical knowledge and industrial and political experience to draft such a measure. One of the noticeable points of difficulty would be to provide for incorporating into the Property, and beginning to collect the royalties upon, the privately-owned patents expiring year by year. This would of course need to be done in anticipation, that no gap might intervene between the private and public ownership. These and other similar points would require the skill and knowledge of specialists, but no more than are called for by every tariff measure passed. But to administer the measure when passed would call for only common care and honesty in the handling of large sums of money, on the one hand; and on the other, a judicial training and temperament.

In both of these lines our government has been rather conspicuously successful. The revenue has always been collected satisfactorily and economically; the judicial department has always added dignity and honor to the government as a whole. The only change in their functions called for by our plan is an increase in magnitude, which would simply mean an increased force, and a lessened proportionate cost of collecting. There is absolutely no reason, judging by the past, to fear that such a task as is here contemplated would in the least overtax the powers that have so successfully dealt with exactly similar tasks on a smaller scale.

The effects of our redistribution of income from the Property in Ideas upon the problems connected with our circulating medium may well claim our attention for a time. How, it may well be asked, would it be possible to-morrow to collect an amount

of money as taxes equal to the whole income of the nation to-day? Where would the money come from?

The treatment of our currency at the time of beginning the collection of these taxes would be most momentous in its results. In the first place it would decide whether the measure should be one of inflation or of contraction. If no addition were made to our currency (including in this term bank facilities for transferring credits) at the first incidence of the taxes, they would result in a contraction of values. The prices of commodities would probably remain substantially unchanged, but a tremendous readjustment would be necessary in their component elements to admit the large new item of expense for patent-right among them. While we admit the difficulty of saying exactly what would happen in such a case, we think it certain that labor values would seriously suffer in the crush, while of course debts, measured in the prices of commodities, would remain the same as before.

This method of treating the problem, however, scarcely deserves consideration. We doubt the possibility of collecting taxes of the magnitude proposed without largely adding to the circulating medium. At any rate, possible or not, it would certainly not be advisable. The taxes would measure a new value,—that is, a value which had previously existed but had been totally ignored in the exchange of goods and money. The money which would be paid as taxes would therefore represent a commodity new to commerce. A tremendous new volume of exchanges would of course result as truly as if ten and a half billion dollars' worth of wheat were suddenly added

to the amount of commodities previously exchanged throughout the land. Manifestly the only way to handle this new volume of exchanges without disaster would be by adding largely to the facilities for handling exchanges,—the currency of this country.

If this were done the collection of these taxes would be in a certain sense a measure of inflation,—that is, it would increase the prices of all commodities. Strictly speaking, however, there would be no inflation. The higher prices would not be caused by the addition of “wind” (or “water”) to the circulating medium, but, on the other hand, the recognition in all prices of a perfectly legitimate and important element of value which had been previously treated as if valueless, would make necessary the increase of the currency. Thus the rise in commodity prices would be strictly confined to the one item concerned, and the other elements of prices would not be affected. This method would accomplish the results proposed with the smallest possible unsettlement of values, and with the purpose and method of the redistribution of Income clearly shown in the increased commodity prices. For everybody would easily understand that the old elements in the price of any article would represent the old elements in its production, while the increase in price would represent the tribute paid to the People's Property in Ideas.

This would supply the only logical remedy for the constant fall of prices which in recent years has become such a momentous political issue. Here we have the true means for putting an end to the constant appreciation of debts as measured in purchasing power;—by reclaiming the golden fruits of the

Property in Ideas into the coffers of the whole race, where they rightly belong, instead of devoting them to pampering the Consumer. The fall of prices is constant and inevitable under our present system, however much the existence of our trick yardstick,—a fluctuating currency,—may serve to becloud the fact, for the whole force of the Property in Ideas is working to this precise end.

What the extent of the increase in the circulating medium would need to be in order to compass these ends we shall not attempt to decide. In fact no attempt at an accurate estimate of the amount would be necessary; the proper method would be to provide a flexible currency, capable of indefinite expansion in response to a legitimate demand, and let the demand determine the expansion. We may also point out, without enlarging upon the fact, or entering the discussion that rages around this subject, that such a legitimate new demand for money would be a golden —(or shall we say a silver?)—opportunity to reëstablish the bimetallic standard, if certain prerequisites of its safe operation could be compassed.

Perhaps some one of our critics is biding his chance to inject the Malthusian law of population into the discussion. He may be ready to show us that our abolition of destitution would be a fatal error; — it would remove nature's check to the excessive multiplication of the species. Population would immediately increase by leaps and bounds until it pressed hard against the limits of subsistence, and destitution would become far worse than it was before our officious interference.

This is a peculiarly difficult objection for us to meet. Our arsenal is, we admit, poorly provided with weapons for the disproof of the Malthusian theory. We had in fact, lapsed into a habit of considering it a subject for purely academic discussion. But a very little mixing in current debate soon corrects one's errors on this point. Malthus is to-day as truly alive as Shakespeare, and rules and reigns with a far more absolute sceptre in the hearts and intellects of his followers. Any theory which ignores him is sure to be marked for assault by his forces. Under the circumstances perhaps we would better hastily throw up what defenses we can, which, since we cannot in the least claim to have mastered the diffuse literature of the subject, must be constructed principally of facts which have come within our own field of view.

To begin with let us consider the Ricardian addendum to the Malthusian theory,—really an integral part of it,—to the effect that the pressure of increasing population would force cultivation to descend constantly to poorer and poorer lands, thus increasing the value of the land first occupied, and raising the price of food. Now, strangely enough, the facts which have come under our observation were not in exact accord with this theory. And this is all the more strange because we and our ancestors since Malthus's day have lived in a section admirably adapted to show the results of increasing population.

The population of the district of which Philadelphia is the centre has probably increased tenfold in the last century. It was and is a fertile farming country. Yet wheat land and wheat itself have not shown the tremendous advance in value called for by

this theory. We know of good farming land within the corporate limits of the city of Philadelphia which can be bought now for less money than it commanded in 1820. All through the section in question, and, so far as we are acquainted with them, through the other eastern states, the same holds good, and often in much greater measure. In New England one sees on every hand farms abandoned to the tax-gatherer which a century ago were cultivated with profit.

Evidently the pressure of population has not been upon the food-producing capabilities of this land. Nor yet has it been exerted upon the land in the western states where the bulk of our national supply of wheat is now raised. The only actual pressure has been in the other direction:—the wheat crop has so increased that only in years of foreign scarcity, making a good export trade, are prices remunerative to the farmer, or anywhere near the level of 1800. If population ever did press upon the limits of subsistence, these limits must have incontinently given way before the pressure.

There are many good Malthusians left to ornament society, but we never met one among the farmers. The man who would be first to profit by the theory were it based upon facts, is the one of all others most ready to cast a stone at it. Let him who has found the cost of his necessary plain food supply increased in the past generation in accordance with the theory rally to its support.

But is it not true that population does tend to increase proportionately to an increase in the means of subsistence? If we make all our poor people so much

better off will they not immediately multiply until, because of the additional mouths to feed, they are as destitute as before?

Here we may explain that our measure is merely a shift of income, and that such a shift of income is not, for the nation at large, an increase in the means of subsistence. What it gives to one class it takes from another; and of course whatever trouble with surplus population it may cause on the one hand, it relieves similar trouble to the same extent on the other. If it threaten the denizens of the Inferno with over-population, it offers to the Millionaires relief from the tremendous excess of fecundity which, by the Malthusian reasoning, must have followed their acquirement of large means of subsistence.

As bearing upon this train of reasoning we offer the following essay in its mathematical statement, which we hope may be accepted by Malthusians as valuable. Let  $s$  be the family means of subsistence, numerically stated, and  $p$  the number of sharers therein. Evidently  $\frac{s}{p}$  will give us an index number representing, in contrasted cases, the comparative means of subsistence; and since, *ex hypothesi*, population tends to increase in proportion to increase in the means of subsistence, a simple sum in proportion will enable us to reason confidently from a known to an unknown instance. Let us take as case A the family of Mr. VanA.'s great-grandfather; for case B that of Mr. VanA. himself. For the facts in these cases we are indebted to our esteemed contemporary the *Bugle*.

The family income in case A is given as three hundred dollars per year, and the number of sharers therein grew to fifteen,—two parents, thirteen chil-

dren,—before the pressure of population upon subsistence checked fecundity. Mr. VanA.'s income is given as twelve millions per year. Hence we have the following:

$$(s \text{ in case A}) : (s \text{ in case B}) :: 15 : x.$$

Here  $x$  of course is the point to which Mr. VanA.'s family will, by parity of reasoning, naturally expand. Substituting numerical values we have:

$$300 : 12,000,000 :: 15 : x.$$

We hesitate to proceed to the numerical value of  $x$  here, for fear we may have made some mistake, but we think our reasoning cannot fail to be approved by the Malthusians. If the results reached by the process are not in exact accord with the facts, it may indicate the margin we must allow for error in reasoning upon the Malthusian theory.

But in direct answer to the question propounded, —Is it true that population does tend to increase proportionately to an increase in the means of subsistence?—we would say that we believe it to be true as dreams are said to be—by contraries. Perhaps we owe an apology for our lack of information, but the facts which must be perfectly familiar to the Malthusians have never come under our observation. We have seen many families emerge from poverty into comfort and prosperity, and several into wealth; but not one of them exhibited a parallel and proportionate increase in the birth rate. We have even known something of the families of a few millionaires, and in not one of these was over-population a threatening

danger. On the contrary, we have known several families that, in extreme poverty, were sorely beset with a tendency to over-population which seemed to know no bounds.

The scanty facts of our personal observation seem to us to point to this conclusion: Over-population is purely a disease of great poverty and utter improvidence, and is nature's remedy for a high death rate. A strong dash of hope and consequent vigorous effort are all that is needed to effect a cure. For those who look before and after there is no such abnormal pressure of population upon subsistence as constitutes a social problem.

There is one aspect of our Redistribution scheme which *might* bring about a partial pressure of population upon subsistence: — which infallibly *would*, to our thinking, were the details allowed to take a certain shape. This is the admission of minors to equal shares with adults in the Income from the Property in Ideas.

Of course if these shares were paid over to parents as representing their children, we should have substantially a state bounty on fecundity. There is a close precedent for this in an experiment which was tried quite largely in England,— the allowance to poor mothers of a certain sum for the maintenance of each child: larger for illegitimate than for legitimate children. The results in the way of making a trade of unchastity were alarming, and the practice was discontinued. It need only concern us as furnishing a horrible example, to be avoided at all costs.

The manifest remedy would be to retain each child's share in the registry office, and let it accumulate until

his majority, thus giving him a definite and considerable "start in life." Allowances out of this fund might, under special circumstances, be made to a minor at the discretion of the register, as is now done by our orphans' courts. This might be done with some freedom if asked for by the child himself, and if he could show a capacity to employ funds to a definite end and with some discretion. If asked for by the parents, on the other hand, each case would need to be examined with great strictness, and security required from the petitioners for the proper application of the money. It may be confidently predicted that these latter cases would be rare.

With these safeguards we think it will be evident that the redistributed Income would have no tendency to relax the "preventive checks" to over-population.

We now approach the problems which our measure would introduce into our foreign relations. It must be admitted that here the difficulties are real, not imaginary.

But it must be remembered that difficulties are of the essence of foreign relations. Nations are largely strangers to each other; misunderstandings and prejudices arise and develop as easily and naturally as foul scum gathers on stagnant water. The clash of opposing habits and methods is constantly found whenever and wherever diverse peoples and races come into contact. Under the best circumstances the action of one nation's laws upon people of other nationalities coming under their influence is almost certain to create friction. As a matter of fact the friction is constant enough and severe enough to provide ample

occupation for a large corps of trained diplomats in attempting to pour oil upon the troubled waters.

The admission, then, that a new national policy will create international problems is not, in itself, a damaging one. All previous policies have done so, and probably all subsequent ones will. Were there no such troubles, our diplomatic service would fall upon evil days and tend toward extinction.

We are therefore not greatly concerned with the diplomatic aspect of the threatened problems; we leave them with the diplomats. The very most difficult problems of our foreign relations, however, would be purely problems for home solution, with no possibility of receiving aid from the diplomatic corps. Of these the first one to claim our attention shall be the time-honored question of our treatment of immigrants and immigration.

This country has for several decades served as the promised land of the European lower working classes. It has been looked upon to a great extent as a land of plenty, flowing with milk and honey, where a comfortable livelihood was certain and success was easy. This reputation has brought us a plethora of immigrants who were seeking just that kind of success,—so much so that in recent years stringent measures of self-protection have been contemplated, and partly carried out. But it goes without saying that all our previous experience in this respect would be far outdone when once the news got abroad in the nations of the Old World that here the government actually furnished every man an income?

Of course rigid measures of exclusion would be the only resource. Admission would not only have to be

refused to suspicious cases, but the burden of proof would necessarily be placed on the intending immigrant. No one could safely be admitted who could not prove himself to be possessed of some capital, and trained to some definite means of earning a livelihood.

Even reduced to these dimensions the question would not be an easy one. We should have the choice of the horns of this dilemma respecting the admission of the immigrant to share in the Income: either we should have to place him at once on a footing of equality with the native population, which, as he would not have contributed anything to the nation's resources, would seem to be assuming for our country an unfair burden as compared with the country whence he came; or, on the other hand, we should have to exclude him from the income for a term of years,—a term of probation we may call it. But in this latter case he would have to support himself by his unaided labor under the disadvantages of a high scale of prices, and, falling into misfortune, he would, by his frantic efforts to get employment at any price, unsettle the rates of the labor market. Here we should have the germs of a new Inferno,—a necessitous class, driven by destitution to take the first work that offered, with consequent menace to the positions of better-paid labor. This would undoubtedly cause widespread apprehension, some falling of wages among the weak-kneed, and a loss of that feeling of confidence so necessary to support the execution of plans for the future. It would be a move in the direction of turning back competition to the hunger basis.

We think the first horn decidedly the one to be

chosen. However unjust it may appear that a stranger should come here and at once participate in our Property in Ideas on an equality with the old inhabitants, the danger to society from his non-participation would be far greater. We must never suffer ourselves to forget that the funds of the Income are not rewards of merit, but seed-grain to produce future merit. They are, therefore, as truly a protection to society as a benefit to the recipient; and if they be used for the purposes of self-development, the two benefits will be inseparable. But the universal incentive to their wise use would be greatly weakened by the existence and intrusion into business life of an inferior class of alien outcasts from our new social system. The ability to pose as superior to one's neighbor would thus be open to the lowest of the recipients of the Income without any exertion whatever. With such an evil chance open to them we cannot doubt that many would consume their seed-grain in idleness, content in their low position with lording it over the poor unfortunates who were still lower. In fact, one such instance of injustice would be fatal to the consistency of our fabric of opportunity for all mankind. It would have far-reaching results tending to disintegration; for such a structure as we propose can only rest on a foundation of fairness as broad as society.

The only preventive measures, then, that seem at all practicable in dealing with the evils threatened by undesirable immigration are those of exclusion. We shall be justified in establishing a high standard for admission to our Commonwealth in Ideas, for we have left no sphere of action for a proletariat, and every inhabitant must be a full citizen, either in esse or in

embryo. But once we have adopted a man into our nation we have taken him for better or for worse; and must do to him as to our own flesh and blood. Any failure of justice or of opportunity for the least of these would be a menace to all society.

A question hardly less momentous is that of the effect of our proposed measure upon foreign commerce.

The immediate difficulty to be met upon the imposition of our new taxes is not so formidable as it might at first sight appear. Our new taxes are not in the least concerned with the discussion between the Protection and Free Trade theories. They would, therefore, simply be so laid as to maintain the *status quo ante*. The tax collected as internal revenue upon articles produced in the country would of course be likewise collected at the custom-houses upon the same articles when imported, and this in addition to any taxes designed to be protective. On the contrary, articles for export would upon shipment be subject to a drawback equal to the tax collected upon them as royalty due the Property in Ideas; or, preferably, would be bonded for export at the point of manufacture, so that no levy of tax would be necessary. These taxes would, therefore, neither favor nor restrain either imports or exports.

The obvious objection to this arrangement would be that foreigners would get our products cheaply while we paid high prices for them. But this we could not change if we would. These taxes would be very frankly what almost all other taxes are practically,—taxes on consumption; and it would be quite impossi-

ble for our government to tax consumption in a foreign land. On the other hand, if the foreigners did not have the tax to pay on our productions, neither would they receive the benefit of the tax in its per-capita division. The simple result would be that we as a community would experience the effects of our system, and other communities would receive the effects of their systems. This is certainly all we can expect in the management of our foreign relations; he who attempts more than this is likely to compass less. To try to make other communities unwittingly share our burdens while not participating in our advantages is a kind of political legerdemain which has been often attempted, but which we may contentedly leave outside the scope of our ambition.

The problems created by the indirect effects of our measure, however, are to our thinking much more difficult of satisfactory solution. These start with the increased wages of labor of all grades, and especially the lower grades. If we are not totally mistaken as to our measure, it would, whatever it failed in doing, raise wages very decidedly. Wages enter largely into the cost of the manufactures we are just beginning to export in such splendid quantities. Increased wages would naturally mean increased cost of product. But granting this, how should we maintain ourselves in the markets of the world. What would become of our waxing export trade, now so fondly hailed as the panacea for our labor troubles, social discontent, and political mugwumpery?

In reply we may point out that the present constantly-growing success of the United States in the competition for foreign markets for manufactures is

founded upon the comparative cheapness of well-paid labor. Our workmen are undoubtedly in general paid higher wages than those of any competing nation, and yet our organization of industry has been so effective that in almost all the main lines of manufacturing we have been able to produce goods which triumphantly meet the world's competition. The obvious conclusion is that costly labor is effective labor; that while it costs more per day, it costs less per brain-unit (let us say) than poorly-paid labor; that if we wish to hold and increase our export trade we should adopt any practicable means to raise still further the standard of our labor, even at the cost of a further rise in wages.

We think it manifest that our redistribution of the income from the People's Property in Ideas is just such a means. It would raise wages because it would give workmen a chance to feel the pulse of the whole labor market before contracting to render their services; and it would raise the standard of labor by substituting the incentives of hope and ambition for the goads of apprehension and privation. We have no doubt it would also ultimately cheapen production, just as has been the case with our earlier experiment in well-paid labor. Accepting the dicta of certain well-known economists, we might dismiss all doubts on this point, for they have demonstrated, even as Euclid demonstrates his propositions, that a high rate of wages necessarily means a high degree of economy in production. But this magnificent achievement of logic, it seems to us, demonstrates our position to a wasteful excess; and with a careful frugality of such fine intellectual fruits let us resign that part of them which we do not need. Let us fix our logical frontier at the less imposing but

stronger position that *normally* the best-paid labor, under conditions of free competition, is the most economical.

The taking up of this less advanced position is practically an admission that under conditions of flux, un-settlement and disturbed equilibrium the increased cost of our labor would not secure increased, or even equal, economy of production as compared with the present status. This is, in fact, almost self-evident; every practical man will at once assert it as beyond a peradventure. The immediate effect upon our exports would be, at least in many cases, to increase their cost, and close some of our markets against us. The practical realization of the benefits of labor still better paid than at present, would demand some important readjustments of our industrial system. Such readjustments are not accomplished in a day. And while they were in process of accomplishment we should undoubtedly lose ground in the foreign markets.

We might ourselves bear with some composure the charge of damaging the prospects of export trade, but evidently we do not represent the general state of mind upon this question. To read the current editorials of our able journals or to listen to the opinions of business men upon this subject is calculated to make one think that the development of a large export trade, especially in manufactures, is our sole hope of heaven,—or rather our only way of escape from the Purgatorio of overproduction. Even economists whose vision usually extends beyond their nose have lent weight to the popular idea that the only possible way to rid ourselves of the excessive output of our manufacturing industries is to dump them on some

far-off land whence they can never return to plague us. The cry of these expansionists is, A constant succession of new markets, or we perish, smothered in our excess of manufactured wealth!

Evidently there is some tremendous confusion of ideas underlying this unnatural aspiration. Why should we be so devoutly praying for new markets to absorb our surplus wealth when the denizens of our Inferno right at our doors are so sorely in need of it? Why should we assume so confidently that if our manufactories are once allowed to get fairly started they will produce a disastrous glut of goods, impossible to dispose of within our own boundaries? Why should we in the same breath speak of the tremendous needs of our poverty-stricken people as impossible to satisfy, and the tremendous accumulation of goods as impossible to consume? Are we not laboring under some spell of self-deception, reasoning in a vicious circle of confusion?

We feel great diffidence in venturing to enter even the outer portals of this perplexing question of the intricacies of foreign trade. We can by no means attempt to solve it; we shall not even touch upon it except as it concerns the internal workings of our plan of reform. But one thing is clear,—there is no magic in foreign trade as distinguished from domestic. It is ultimately simply an exchange of commodities, consummated largely through the agency of money. And it is all merely an incident of production by the wide and complicated division of labor; its function is to increase production by making possible a more perfect specialization of labor functions. Unless it increase production foreign trade is a pure loss to the nation.

Now we suspect that much foreign trade is attended with serious loss to the nation. Of course it is not, on the average, attended with loss to the merchants or manufacturers who undertake it; if it were it would be promptly discontinued. But it may very easily be the case that our merchants and manufacturers can make a profit for themselves by means of a loss on the part of their workmen,—by employing them at lower wages than they could obtain if they had free opportunity to utilize their labor to the best possible advantage. If, then, by giving to these workmen free opportunity for self-development we enable them to raise their wages so high that the foreign trade has to be abandoned, it is certain that the nation gains, however much the manufacturers may lose. For this result can only follow by the workmen discovering a more productive use of their labor than to manufacture for the foreign trade. A more productive use of labor means a larger income for society, a general benefit to the community. The damage which our plan would do to our foreign trade, therefore, would be demolishing a loss. It would be interrupting such a thriving trade as a certain man found his bright young son driving over his back-yard fence,—selling off a roll of gold eagles he had found in his father's desk for a silver dollar apiece.

We think it can hardly be denied that our measure of opportunity for all would, wherever its influence reached, strike a tremendous blow at this sort of gainful traffic. No truer blow for freedom could be struck; it would be a chapter in the abolition of the slave trade. Wherever men are held down by constraint of circumstances to a lower grade of work than

they might perform under free opportunity, a relic of slavery exists; and whosoever deals in this, in a measure deals in slave labor. We recognize that this is carrying the distinction to a rather fine point, since perfect freedom of opportunity is hardly practicable in this prosaic world. But the practical injustice constantly being done in this matter is the cherishing of these relics of slavery. We hear of a plentiful supply of cheap labor as if it were an element of local or national wealth. We need to realize that it is, on the other hand, an element of poverty to the nation or community; that dealing in it is dealing in slave labor; that the cherished schemes of our merchants and captains of industry to enrich themselves by doing a thriving trade, export or domestic, in the products of such labor are, from the standpoint of the community, selling eagles for dollars.

The tendency of one-sided competition to foster the slave-trade is a subject all too lightly touched upon by current economic science. It has long been a cardinal tenet of political economy that free competition can do no wrong. Although this pearl of the faith has been almost buried of late years under a load of conditions and exceptions in the interest of monopoly and the classes, it is applied in all its harshness to the adjustment of the claims of labor and the masses. But both sides of the discussion seem to have lost sight of the real meaning of "free" competition. Legal freedom to contract or to decline does not insure it. No man receives the benefits of free competition who is not economically a free agent:—he must have, first, the power of self-development; and second, the ability to wait, if necessary, for a market for his labor. With

this broadening of the meaning of our term "free competition" we may subscribe, with hearty assent, to the doctrine that it can do no wrong.

But judged by this criterion we fear that much of our "free" competition is anything but free. The regiments of modern industry, even in our favored land, are not clear of the incidents of conscription; and they are only too likely to be marshaled as an army of conquest to attack the economic independence of lands beyond the sea. Still less is the labor of these other lands likely to be economically free; and the toil which, through the mazes of foreign commerce, returns to us the value of our exports, is almost certain to be driven largely by the slave-whips of the human race,—hunger and destitution. Under these circumstances there is no certainty whatever that trade is a real benefit to any but the dealers in the slave labor,—the captains of industry and of commerce who conduct it.

We think a close examination of the tendencies of our new policy of commercial and political expansion will show that the process is primarily a conquest. It is a conquest of the peoples—other peoples,—by the people — our people,—and for — the captains. It binds heavy burdens, grievous to be borne, upon our home forces of industry, without one iota of profit to the burden-bearers. And it is a conquest which can never be accomplished under the ægis of true freedom, economic and political;—to marshal the forces of industry and arms to effect it we must cherish, and even still further develop, our relics of slavery.

Here is where our scheme of reform takes on a harsh aspect. To all this fantastic house of cards founded

on conquest our measure of true freedom,—the gift of the power of universal self-development,—would be as a destroying angel. It would touch as with a divining-rod the various structures of foreign commerce, and those which gained their profit from the loss of our workingmen would crumble at its touch. For truly free competition has something better in store for men than to make them food for powder or legionaries for conquest of any kind. It would be a proud and joyful day for our workmen when their rising wages gave the death-blow to the last relies of the slave trade.

We shall benefit as a community, by raising the efficiency of labor throughout the land to the highest possible standard. If it then prove to be too effective to be wasted in the cheap work out of which our captains of industry have made such inspiring profits, we can solace the losses of these estimable citizens with the same pious consolation they have so freely offered to others,—that all steps in the progress of society are necessarily attended with suffering to some, but that the general good far outweighs the particular harm.

The conclusion of the whole matter, it seems to us,—and it applies equally to foreign and domestic demand for labor,—is this: that our plan of universal opportunity of self-development would bring about a general efficiency and a high scale of general prices for labor. This could not well mean anything but general prosperity, and if a man's business should suffer under such conditions he would simply have to resort to the above consolatory maxim for comfort. We do not for a moment admit that it would finally

injure any really beneficial trade, foreign or domestic, but it would kill the trade in slave labor, and it would introduce a period of unrest and readjustment in which even mutually beneficial trade might temporarily suffer.

It is no holiday task to abolish serious abuses, and their struggle for life will always to some extent unsettle society. But that society which hesitates to grapple with such abuses because they are strong is becoming decadent, and will in due course of time make way for the courage of new blood. The prizes which wait upon self-development will always infinitely outweigh, in material as well as in spiritual wealth, those fading kingdoms of this world which are Satan's bribes to leave the old order in peaceful possession.

## CHAPTER XVII.

“THAT NEW WORLD WHICH IS THE OLD.”

WE think the reforming instinct is widespread and deep-seated in this generation. After the first blush of youth is departed, and we begin to face toward the shades, the problems of the race become our constant companions. However lightly they may touch the favored ones, however they may be crowded aside for a time by the imperiousness of personal trouble and sorrow, however the fast-moving panorama of life may engross our attention, thenceforth the undertone of suffering vibrates through all life's music. For the race has lost its youth, and can never again possess youth's outlook. It can no more be blithe with youth's irrational hope, or cruel with youth's cheerful unconcern. Whenever it faces toward the future these problems bar the way. The heart and conscience of the race gaze beyond these bars with a passionate longing that they may be broken,—that justice and mercy may be done, and mankind set free to be happy.

To those who stand most aloof from this feeling its effects seem spasms of destructive energy. The universal reforming power of our age has tilted at all sorts of windmills, has challenged almost every cherished institution of society, and its zealots are at this moment hotly attacking the central pillars of our social order. Small wonder that such things seem to the conservatives like ruthless destruction of the ancient landmarks; that to their eyes they bear evi-

dence of an insane readiness to cast our civilization into the crucible and reduce it again to its primal chaos. Viewed from this standpoint the war of the reformers seems to be against everything to which man's affections can attach themselves, everything that can develop personality and foster memories.

Our own belief, however, is that these extremes in which the reforming impetus manifests itself are the light effervescence of the movement. The heart and conscience of the race are not only sound, but conservative. They stand behind the reforming spirit, but do not sanction its excesses. They have no childish delight in change for the sake of unsettlement; they do not wish to wipe out the past and begin anew. The landmarks of our social order are as dear to them as old homesteads and firesides; the institutions under which they have lived are a part of their personality. Their protest against the established order may seem to cover all its most characteristic points and to be almost equivalent to destructive nihilism, but a close analysis will show that it is not directed against the vital organs and forces of our present social body, but against a blight that has spread itself through all these,—the influence, the trail of the Beast.

The intent of our scheme of reform, therefore, is to remove this blight,—to trace the sinuous trail of the Beast through society and to extirpate its evil influence at the source. So far is this from constituting a destroying influence that it is on the other hand essentially constructive. So far is it from tending to confuse the design and impair the essential unity of our social structure that the accomplishment of its task of removing the disfiguring excrescences

will for the first time reveal to us the essential grandeur of the edifice.

For structurally our edifice has not been changed when the measure we have advocated has become an actuality. It is still founded on the principle of competition, working by the method of free contract; it still proclaims as its essential truth the maxim that to each man belong the fruits of his labors. It has established no Procrustean couch to mutilate human talent into a semblance of sameness; rather it cherishes and seeks to develop as its most valued possessions men's natural diversity of powers. But the sphere of competition is now widened to take in the whole race, and free contract is no longer a privilege of the prosperous. The germs of talent which have hitherto been crushed under the weight of non-competitive privilege are now opened to the sun and air, and if we mistake not will in times to come show the world some instances of inequality as yet beyond its most roseate dreams.

Under this new régime the man of great ability and industry would still become rich, the lazy and shiftless would remain poor. The riches of the one and the poverty of the other would each be upon their creator to dispose of as he saw fit. Then as now men would choose their occupations; then as now they would have to make a second choice if their first one proved to be a mistake. The proverbs of Solomon would not lose their force in our new state of industry; the good advice of the Self-Made Man could still be accepted at the customary discount. Parents would still inculcate thrift and self-reliance by way of preparing their children for their life-work,— and would feel much

less like hypocrites in so doing than is now the case. Children would still start out to conquer the world by new and improved methods, and would come round to the old ways again with old-time celerity. In general men would still come and go, work and rest, plan and act, as to them seemed best. The government would be substantially as unobtrusive as at present.

Realizing, then, first and foremost, that we are still in our old familiar home, and that on every hand we see the well-known landmarks, let us look curiously around us to see what changes have been accomplished by the new influence we have invoked.

We shall not have to look far. One tremendous change at once claims our attention which alone would give a new expression to the social landscape; — the Inferno has vanished! The threat, the close pursuit, the actual presence of utter destitution have ceased to haunt the lives of men. Hunger as an economic force has passed away.

To realize the far-reaching results that will surely flow from this will tax our imagination to the utmost. For in passing from the domain of fear to that of hope we have left the brute era of development and entered the human. We have left the struggle for existence, the survival of the fittest, the reign of universal strife and incarnate selfishness; and have taken up the aspiration for self-development and for universal coöperation in commanding the forces of Nature.

So far as our civilization is founded on the Inferno it is founded on brutish forces; and it exhibits their effect throughout its structure. It is the desperate struggle to escape from the terrors of the Inferno that furnishes the brutal element in our society. It is this

that throws the name of self-preservation over almost any form of short-sighted selfishness and inhuman crowding of competitors. If money-getting be a desperate struggle for life with one's neighbors, naturally no quarter is likely to be asked for or given. And the cynical disregard of the humanities, the belief that all is fair in money-getting, the habit of elbowing all competitors in the contest for the best places, become second nature, and often continue to rule a man's actions by force of habit long after the Inferno has for him receded far into the distance. He becomes in the beginning and remains to the end an Ishmaelite, meeting all men as enemies. He feels that his successes have been won by conquering other men; that his wealth is the fruit of his impoverishment of others.

We have no intention of holding up this sketch as a full-length picture of our present society. But no one can deny that the brutish motives we speak of are terribly in evidence in the business world, and are not confined to its lower levels. And under their sway the processes of human evolution are substantially those of the "dragons that tare each other in their slime." Brutes, as we know, possess no power over Nature. They accept as a finality Nature's unaided bounty, and strive with each other, species against species and individual against individual, for its possession. The weaker die, the strongest live; and this is the "survival of the fittest,"—"fittest" of course meaning ablest in depriving their fellows of the means of sustaining life.

That this precise process of evolution obtains largely to-day in human society we fear is beyond successful contradiction. One is led to believe that its accept-

ance as our popular philosophy of business is almost universal. Political economy, in fact, has the dubious honor of having anticipated the modern evolutionary school in the enunciation of doctrines bearing the distinct implication of brutish evolution. The Malthusian doctrine that population necessarily tends to press upon the possibilities of subsistence, the Wages Fund doctrine that a predetermined amount of money is at any specified time devoted to wages, that wage-earners can do nothing to increase the fund, and hence are helpless to better themselves except by diminishing the number of the sharers in it,—these are luminous expositions of the process of brutish evolution. And an examination of current business conceptions will we think show that the ways and means of procuring a livelihood are in an astonishing number of cases considered as coming under these limitations,—that in the popular mind the process of making a living means, not creating it, but taking it away from somebody else.

The trades-unions are a typical case in point. Their philosophy is one of limiting the sharers in their trades. We do not claim that it is not effective within certain limits, but—it is a process of brutish evolution. The seekers after easy positions, “good things,” “soft places,” are all adherents of this type of evolution. The wealth they pine for is already created; their problem is merely to get it into their own hands. The ordinary merchant looks on a competitor as some one who will try to force him to divide his all-too-scanty gains; the ordinary doctor or lawyer guards his practice as if it were his game preserve. The man of independent means who tries to do some real work is reproached with depriving a poor man of his living.

All through the business and social world we find it generally true that a man's work to make a living is directed against his fellows,—that he is oblivious of the possibility of adding to the world's wealth, and merely solicitous of sharing in that already in existence.

Now this general habit of thought and action belong clearly to the brute stage of evolution. If it were universal, if *all* men bowed to the decrees of Nature and knew of no possible wealth except that actually in existence,—then the parallel between brutish evolution and human evolution would be just and luminous. Then increase of population would constantly press upon the bounds of subsistence, and an increasing number of wage-earners would divide into ever more minute portions a stationary or diminishing fund. Then the terrible crush around the Inferno, the Ishmaelitish strife of business, the fierce greed for the best places at life's banquet, would be—not, indeed, pleasant or edifying, but — logically necessary. For it would simply be a choice of which should die, and no man could be blamed for preferring to be one of the survivors.

But since history began there have always been a few men who refused to accept Nature's free largess as a finality. They strove to gain command of her powers,—to scratch the earth and make it yield more food, to fuse the stone and shape the extracted metal. Their progress, though considerable, was slow until our Wonder Century, but since that beginning was made it has proceeded by leaps and bounds. We are still in the beginning of this development, and it seems like transparent folly to stop now to remark upon its

achievements. But one thing it has shown beyond doubt,—that the parallel between brute development and human development has absolutely no present validity. We talk of Nature's niggardliness, but it is a faint memory. We do not believe in it; we know well that human coöperation can put to utter rout all of Nature's bounds to subsistence. The niggardliness is man's, or a product of our social organization and adjustments. The only efficient cause of scarcity to-day is a lingering in the brute stage of development. And the cause of our lingering in the brute stage of development is the Inferno, with its paralysis of hope, the human motive-power, its universal threat, its breeding of mutual distrust and enmity, and its inculcation of strife where coöperation is the only Open-Sesame.

We are aware that we cannot claim unanimous consent for this proposition. Sociologists and economists of recent date and of unimpeachable standing assure us that human progress flows, exactly as progress in general flows, from the struggle for existence. "Of course," they admit, "ambition and other gilt-edged motives make a little show in select conditions; but as a broad biological fact, hunger and similar rudimentary spurs, which really mean imminent destruction, constitute the only means of overcoming man's aversion to work. The penalty here, however disguised, is the same penalty that is inflicted on the weaker in the brute creation,—death, or the inability to leave descendants. This spectre calmly sitting on our door-step is of course unpleasant, but it is really our salvation. Remove it, and the race would lapse into barbarism through failure to labor effectively."

We have already shown how impossible it is for hunger or any related motive to elicit the work on which our present civilization rests. But a further most momentous weakness in the above-recited philosophy is the assumption that there is any real struggle for existence in society as at present constituted,—that the unsuccessful die, or are unable to procreate their kind. As a matter of fact our present society, after having beaten the *economic* life out of its victims, does leave them *physical* existence, maintained largely at the general cost; and more, it not only allows them to leave descendants, but they are actually the most fertile portion of the race!

Thus our present system of human evolution utterly fails of the harsh merit of brutish evolution, for the struggle for mere existence is suspended. Evidently the only possible safety for the race, such being the case, is to replace it with the struggle for real life,—to breathe into the dry bones of these economic corpses the life-giving principle of hope, with power of self-development, leading every human soul to strive and aspire. As a broad biological and psychological fact we maintain that hope and aspiration are the only motives that can be depended on to elicit sustained and intelligent effort from the whole range of human life; and so long as they are ignored, so long must the problems of the Inferno remain insoluble. With their strong incitements working on all humanity, a new power of civilization would be born.

When, therefore, hunger as an economic force has been abolished; when every man holds in his grasp the means of self-development, and begins to look around him to see where lies the best field for his

labor,—then it will soon become apparent that an increased command over Nature is the only rational goal toward which to strive. To compass this end will require patient training, steady self-control, mutual confidence and capacity for coöperation. But above all else it will require leadership,—capable leaders, and the ability and willingness to appreciate and follow them. Worthy leaders and appreciative followers, coöperating to secure increased command over Nature, and to work toward their own self-development,—this is indeed an ideal of human, as opposed to brutish, development.

How to secure strong leaders is a problem that may well cause one to think long and seriously. But probably no one means will be so efficacious as to appreciate them. Under a system of universal self-development it may be presumed that almost every man would strive to attain to leadership. If almost all of them failed of this high goal,—and how many of us can ever reach our ideals?—they would at least appreciate the difficulties of the task; and men who can do this will make better followers than if they have been withheld from even aspiring to leadership. And the leaders who would command the respect of such followers, and successfully lead the advance to further mastery over Nature, must needs be no charlatans, but full-statured men!—men who could command Nature and who would not need to elbow their fellows. What untold wealth would it not be worth to our World if she could once relegate definitely and forever to the rear ranks the troops of blind, purblind, contemptible, dishonest, and mountebank leaders who now by favor or filthy lucre, or accident of birth or

position, seek to edge into positions of high command!

With the serious thought and best talent of our social forces given to the direct assault upon the powers of Nature the increase of command over her forces would undoubtedly be enormous. We anticipate that the wealth flowing from such a development of wealth-producing industry would be so great as to throw utterly into the shade the wealth-detaining possibilities of the easy positions and "soft places." If this prove to be so, the excessive crush around those positions would cease, talent would flow from them to the uncrowdable wealth-producing occupations until the balance were adjusted again, and elbowing and Ishmaelitism would vanish from among us. When this had come to pass human development and brute development would have definitely parted company. Thenceforth men would pursue their material welfare by adding to the World's material wealth,—not by displacing the participants therein; coöperation would, for the human race, have supplanted the struggle for existence.

Of course we do not mean to imply by this that the distributive as opposed to the directly productive processes are a drain instead of a benefit to society. The merchant has a part to perform in the social economy as necessary as that of the manufacturer or the farmer. But his necessary part is simply that of an adjunct to wealth-production,—to get the goods into the hands of the consumer with as little friction as possible. Anything more than this,—anything in the nature of organized wealth-detaining,—is a survival from the brute process of development,—to produce nothing but seize all that is possible.

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Another most momentous result of our redistribution of the Income from the People's Property in Ideas would be the passing of the Charities of Condescension. Our beautiful classification of charity into its two branches, on the elaboration of which we have expended so much thought and labor, would be rendered utterly useless. There would, we suppose, still be charity, but there would be no condescension and no self-abasement. People would forget that there ever had been such a charity, and the profound historians of coming centuries would get beyond their depth in trying to explain how it was that in the nineteenth century men could give alms in the sacred name of love, and yet with coldness, disdain and arrogance in their hearts.

Of course with the Charities of Condeseension would pass away the luerative business of soliciting charity. The blind, deaf and dumb man with seven small children to support would no longer perambulate the streets with his organ. The well-dressed gentleman who by reason of some miscarriage in the mails found himself without funds in a strange city, would cease to solicit his confidential loans. Women would no longer exhibit the illnesses of borrowed or hired babies before gaping crowds in order to touch the tear-founts of the passers-by. Imposture of every kind would find itself convicted before it opened its mouth. If perchance the undoubted fondness of mankind for being humbugged should leave a small opening for such persons still to pursue their trade, ridicule of the deluded sentimentalists would soon, we think, effect a cure. For it would be as certain as anything could well be that no one need beg. If anyone did find him-

self by accident in a strange town and penniless, the telegraph could be made to identify him and procure him enough money to pay his expenses home,—and the cost thereof could be charged against his account at the registry office.

In fact by abolishing the Charities of Condescension root and branch our scheme would in a remarkable way "kill two birds with one stone";—it would abolish the real cases of suffering, which sadden the thinking people, and also the cases of pure imposture, designed to part sentimental fools from their money. It is this double cost, double drain of sympathy, and double ineffectiveness which constitute one of the most telling arraignments of the monumental system of waste embodied in our present charities.

Another abnormal excrescence upon our social structure would necessarily vanish with the Charities of Condescension. We allude to the extensive machinery by which organized charity seeks to levy tribute upon the devil's activities. The church fair is the typical instance of this class. The significant fact characteristic of them all is that money is obtained for charity, or some other "good" cause, from people whose main or sole object is pleasure—or something worse. A magnificent ball is held, with a free-handed sacrifice of seed-grain, and other pauperizing incidents, and the "net" profit is given to charity; or a gold watch, donated by some enterprising jewelry firm, is given to the person making the best guess as to the number of seeds in a certain pumpkin, (at ten cents per guess):—proceeds to go to the home for reformed gamblers; or funds are provided

to sustain mission services in the slums by holding a game of forfeits in the church parlors, the drawing power of the show being its license to uproarious practical jokes and horse-play.

We say "*seeks* to levy tribute." We do not mean to express doubt as to the actual provision of large sums of money for "good" causes in this manner. But we fancy there is a return tribute exacted. It is a tragi-comedy of Faust and Mephistopheles, and the important question is, Which is which? The "good" causes evidently think that in this they are playing Mephistopheles, and that in allowing the devil a little temporary triumph they are merely lengthening the rope with which they propose in the end to garrote him. But we submit that His Satanic Majesty was the original creator of all Mephistophelean parts, and that it is unsafe for the "good" causes to attempt triumphs in such rôles. While the bookkeeping of the patronesses of the ball may show several thousand dollars "net" profit from the bargain, it may be surmised that Satan's books treat the transaction differently. They more likely show a payment of a sum of money from the corruption fund to poison the stream of charity at its source by debasing the motives behind it. And Satan knows full well, what the lady patronesses do not at all believe, that it is preëminently the motive that counts,—that he gets a bargain of bargains in being allowed to corrupt the moral force behind a good cause at the price of a few thousand dollars.

It is a popular belief that by a little sanctified trickery the help of the devil can be obtained for good causes. The extent to which this belief is entertained

is surprising, and a little unsettling to one's mental balance. It requires no little self-confidence to be true to one's convictions against a crowd. We know a perpetual-motion machine is an impossibility, but as one confident inventor after another assures us he has done the trick we are forced to cling to our certainty instead of being held fast by it. It is just so with the machinery for the accomplishment of noble ends. We know that no trickery of the moral laws is possible; that machinery is not a source of power; that no contrivance or arrangement, be it never so cunning, will cause our social machinery to exert more moral energy than has been applied to it. But our certitude is overwhelmed and dazed by numbers ; and as one invention after another is brought forward for getting the devil into our treadmill, and we are assured that they have been tried with excellent results, we are forced to cling very tightly to our moral moorings to avoid being swept with the tide. That the vast majority have been swept away, that the popular idea of the way to accomplish noble and unselfish ends is to bait a trap for short-sighted selfishness,—this is, we fear, undeniable. The whole moral landscape is filled with perpetual-motion machines, and if one demur to the principles on which they are built, the unceasing clatter which their motion is ever making is ready to confute him.

No more genuine contribution to the welfare of the race would be possible than to abolish this enchanted wood,— to sweep away the confusing maze of machinery which now intervenes between motives and results, and let men gaze with unbewildered brains on the one, set over against the other. We would that

we had some method of accomplishing this broad result; and in default thereof we take great pride in thinking that our scheme contains a modest contribution to this great end. For if put in operation it would infallibly sweep to oblivion a large section of this false perpetual-motion machinery, and might, by the demonstration of its uselessness which would probably follow, gain a larger popular acceptance for the moral axioms which such machinery ignores.

Nowhere would our scheme produce a more important or more characteristic effect than in its treatment of the defective classes, and particularly of criminals, actual and potential.

To-day the whole aspect of government and the social order is to these unfortunates one of enmity and repression. They are shut out from honest industry by lack of training as well as by the bounds of their environment; and no person or power moves a finger to help them to self-help. The policeman and the prison-warden are to them the representatives of organized society, and the functions of these officials naturally seem to be all on behalf of the rich. It is hardly surprising that the conception of justice as the underlying idea of penology does not occur to them; that in their minds law is a device of the rich to keep the good things to themselves, and is very properly checkmated by the forcible seizure on the part of the unfortunate of whatever may come within their power.

In fact the criminals have simply anticipated the soberer part of society in discovering that the possession of wealth is not conclusive as to moral right.

Only to the law-abiding classes property seems *usually* to rest on morally valid grounds,—perhaps because they usually hold or have held property; while to the criminal doubtless all property seems unfair discrimination against himself, because the law in defending property acts always on the other side.

We think that the discovery by the criminal classes that government was not entirely a conspiracy against them would lead to surprising and happy, not to say revolutionary, results. If a burglar could be induced to register and draw his share of the Income,—(and we think it is here, and not with respect to the Millionaires, that there would be trouble in securing a full registry),—law would have scored a strong point against lawlessness. For by accepting benefits from the government he would be forced to admit that it was in some measure his friend, and law-breaking thereafter would come to seem very much like wounding a friend.

It may be that we have here summarized into a sentence the work of long years of slowly-dawning moral consciousness. We have no desire to claim suddenness for such a reformatory process, but to us it seems as sure as gravity. Honor may not reach a very high habitual standard among criminals, but that there is at least a rudimentary code of honor among them is almost certain. That any human being capable of entertaining the most rudimentary idea of honor could for long years receive each Income-day his due share of benefits from the government, and then at once return to his law-breaking, we think is inconceivable. Sooner or later, without another deed being done or a word being said for his reformation, the

patient persistency of society in heaping coals of fire upon his head would shame him from his evil courses. He would make no public profession and would sign no pledge, but would silently seek the paths of honest industry and become a law-abiding citizen. Thenceforth his place in the prisoners' dock and his seat in the thieves' rendezvous would know him no more ; and in heaven's chancery if nowhere else would be registered a soul that had entered upon the upward path.

It is not our purpose, in outlining the influences for good which we believe would be found to reside in our measure of justice to all the race, to attempt to recast our penal system. What we have said does not in the least presuppose the disuse of our present machinery of justice. It would not be at all necessary as a tribute to sentimentalism to leave society defenceless against criminals in hope of their early reformation. On the contrary, their reformation would be first shown by their ceasing to collide with our present laws.

But one point that it would be highly desirable to secure would doubtless require some changes in our statute law. Provision should be made for allowing the criminal his share in the Inheritance, no matter how much he were under the ban of the law. As we have said, these funds are not in recognition of merit, but of humanity; they are not earned by this generation, but are, on the contrary, a free gift from past ages, and their enjoyment should certainly not be barred to those who need them most sorely. Their regular coming would bear to the criminal a message of hope and regard from the heart of the race ; it

would go far toward proving to him that society's hand was laid upon him, not in anger, but for chastening. No depth to which humanity can descend should be too deep for the reach of this arm of parental love of the race. No man would be a hopeless case or beyond the reach of reforming influences who was regularly visited by such a message of love and professed forgiveness.

This may seem like silly sentimentalism. It is true that the prevailing practical methods of treating criminals hardly lend support to such ideas. But the prevailing practical methods certainly cannot be charged with being unduly sentimental, and yet their results leave much to be desired. Perhaps, after all, a little more sentiment may be what is needed in the treatment of criminals. And as a matter of fact a little more sentiment is steadily being infused into the new methods, and with results that are oftentimes admirable. The Indeterminate Sentence system is a luminous example of such methods for treating criminals. While our plan may contain much that would be vigorously repudiated by the spokesmen for this system, we desire to shelter ourselves under their skirts so far as to claim their authority for our contention that a patient appeal to the better motives of the criminal is not silly sentimentalism, but *pays*,—in dollars, lives, souls, happiness, or however else one may wish to rate it.

Our general position is that, while criminals should doubtless in most cases be confined, for the safety of society, they should be hampered as little as possible. So far as they could in confinement pursue the business of making a living, they should be not only

permitted but encouraged to do so. Their Income should be paid to them to use at their discretion, within certain bounds, and if they were able to use it as capital with which to establish themselves in some business or some means of earning a livelihood, of course so much the better. If such a business developed to a profitable extent it would give the prison authorities a new guarantee of good behavior, and would soon make it safe to extend large liberties to the convict. In this way he might be gradually absorbed into the great world of honest industry, and would simply cease to be a convict, without any formal opening of prison gates or proclaiming him to be a free man. Free he would be, however,—to do right; and freedom beyond this is not always a benefit. Of course he would be under surveillance, and any suspicious actions would compel a curtailment of his liberty; but for this very reason he would be likely to avoid suspicious actions, and we think that in most cases such an unheralded and noiseless exit from prison would be likely to be a permanent discharge from evil ways.

Of course by parity of reasoning a prisoner should be subjected to the responsibilities as well as allowed the privileges of life in the outside world. In the first place he should be charged with the cost of his living, the "style" of which should be subject to his choice, within certain bounds; and this should be paid for out of his labor, or, failing this, from his Income. In the second place he should be made to maintain his duties to his family so far as possible, and for this end his Income might be detained from his control. In short, he should be made to feel that he had not

escaped any burden in coming to prison, and on the other hand had not been subjected to any unnecessary restraint. The line of division between the prison and the outside world should be made as inconspicuous as possible, with the purpose of allowing it to be crossed at the earliest possible moment.

The corollary to this doctrine of the persistent humanity of the criminal, is that of the partial criminality of men in general. While we certainly do not wish to make the way easy *into* prison, as we would make it easy to get out, we do think it should be recognized that our present line of division between criminals and non-criminals is factitious. The maintenance of such a sharp line tends to make the crime consist, not in the commission of evil, but in being discovered. While of course it would be folly to put the stigma of criminality on any one until it was unavoidable, we think the indistinguishable blending of the white into the black might be profitably acknowledged by maintaining a watchful surveillance over a man who seemed to be drifting toward overt crime. A kindly warning from one whose position made it possible to speak with authority might avert many a sudden plunge from apparent respectability to degradation, and induce many a permanent change of course from the downward to the upward slope.

As our payment of Income to all humanity would recall the outcast of crime as well as the outcast of poverty to share in the hope of the race, so it would bear a message of renewed life to the soul imprisoned behind the bars of imperfect faculties. The blind, the deaf, the dumb, the lame, the halt, the diseased,

would all be called to self-development. For the one talent has its place in the work of the world as well as the ten, and is as properly subject to the universal duty. It is only among brutes and brutish men that the weak are remorselessly exposed to the strife that selects the strongest.

So long as the rule of competitive strife for division of the spoil obtains in its extreme rigor, so long must the defective be barred from hope of success. Before an unscrupulous adversary they are helpless, for he can select their weak points and defeat them with ease. But nature is not an adversary; she offers dumb resistance, indeed, to whomsoever seeks command of her powers, but no violence or trickery. The one talent is acknowledged by her as true coin just as surely as the ten.

To our mind there is no doubt that patient work for the development of the defectives will result in finding a welcome place for them among our economic forces. They could surely add a definite amount of force to the advance of society upon Nature; they would thus add to the material wealth of the world ; and in the absence of ruthless strife for the possession of the added wealth, they would be able to claim and possess it. What has already been done in the industrial development of the blind and other defectives is an earnest of what may be done when means for such development are universally available, and the infection of aspiration has spread to all the borders of society.

It is, we think, impossible to overrate the advance in happiness and sanity which these stricken ones would experience from being welcomed into the ranks

of the world's workers. The man on whom the world depends, be it ever so lightly, for something, enters in some degree into the dignity of the creative forces. He is no longer forced to feel himself a burden to the world, a useless piece of lumber. Self-respect comes to him naturally, and he begins to look to the future, as well as upon the past. After all, his hope of achieving happiness, once he be granted the consciousness of power, is not so different as it seems to be from that of his more favored brothers.

But even if we are looking too far into the future in entertaining such hopes ; even if the imperfect classes be in the main doomed to continue as they now are, dependent upon others for their living, it is no less imperatively demanded of us that we acknowledge and act the truth for their benefit. In the gross materialism of our present social theories we persist in considering them a charge upon the charity of living persons. But as a matter of fact the charity they receive is, broadly speaking, simply the charity which this generation receives from those gone before,—they are living upon the inherited Income of the race. And they have as much right to have their share in this Income freely given to them, without their cringing or fawning upon anybody, as have their more fortunate brothers, who receive their rightful shares many times over.

How repulsive the thought that this whole class is now in effect set apart with the tramp and the loafer,—as having no right on this footstool, living here only by special favor of the breadwinners ! Who can think without shame upon the fact that our gross-minded World has denied them their heritage

solely because of their misfortunes ! How immeasurably would the race benefit, as well as they, by extending to them as their right the privilege of standing "erect in self-respect,"—of eating the bread of misfortune without feeling it to be the bread of dependence !

It cannot fail to be noticed that our division of the Income in recognition of humanity only, to the entire neglect of economic merit, would have one highly revolutionary effect on family relations,—it would award income to the women and children as well as to the men, thus ignoring man's "divinely-appointed" headship in the family.

To many this would seem like opening the fountains of the great deep to overwhelm the world. It would thrust us into universal turmoil, would break up the beneficent order of our family relations, and, in fact, would cast us again into chaos. The passing of the patriarchate would probably inspire the utterance of more touching threnodies than even the passing of the Inferno.

But the patriarchate *is* passing,—in present actuality, not in our hopes for the future. The threnodies began to appear freely many years since. Whosoever would study them in their glory should turn back to the law reports of over half a century ago, and note the decorous but strenuous protest, and the uneasy misgivings of coming chaos, with which the judges of those days unwillingly gave effect to the newly-enacted Married Women's Property acts, and similar legislation. Such threnodies have kept on

appearing ever since, in loving memory of the good old times so relentlessly passing away, and in depreciation of the coming chaos,—which they have always located just around the corner ahead.

Now it is certain that, whether for good or evil, the family is,—has been for many years,—undergoing a steady drift away from the idea of man's essential primacy. It is charitable to assume that the ancient status was founded on a reason valid in its day; and if there were such a reason it must have been the absolute necessity of such a primate. When the very existence of the family depended momently upon its receiving efficient physical protection, when bread-winning meant slaughtering wild beasts, the head of the family was more than a figure-head. But long before any overt steps had been taken for abolishing man's titular headship, his real headship was seriously undermined. Under advancing civilization it became manifest that the true function of headship in the family was, not strife, but guidance; and the most liberal doses of ancient theory descending to modern days could not make it seem reasonable to suppose that man alone possessed the guiding faculty. As a matter of fact we venture to say that throughout the precincts of modern civilization the woman's power and responsibility for the guidance of the family are equal or superior to that of the man,—subject, however, to certain economic disadvantages which oftentimes subject her to petty tyranny, and interfere with the free exercise of her powers for guidance.

The threat of chaos which our terrified jurists saw in the Married Women's Property acts lay in the ad-

mission of the wife and mother to a share of the economic power over the family. If part of the maintenance of the family were placed in her hands to give or withhold as she saw fit, evidently man's absolute power in the home had received a serious wound, and hence visions of chaos appeared to our far-sighted jurists. But even the camp-followers are now safely past this spectre-haunted spot. No present-day conservative places his chaos in this harmless measure, which goes its humdrum way without eliciting the least comment:—he is anxiously scanning the coming measures for the next dose of chaos. The practical admission of even the most reactionary is that this measure of freedom for women, and their admission to economic power in the guidance of the family, have worked well, and have done no noticeable harm.

Now our plan of distributing the Income from the People's Property in Ideas impartially to women and men would do for the mass of women what the Married Women's Property acts did for the select few. For comparatively few married women have any considerable property of their own; the bulk of our population subsist entirely on present earnings. But the Income would go to all the race, and would give to women of all social strata a taste of the economic power that goes with control over means of subsistence.

That this would mean chaos, or even serious disorder, in the family relations there is no reason to believe. It would simply mean constitutional government in the place of autoocracy by divine right, and in this country we need not try to prove that checks on absolutism are not disorderly, but lie close to the

foundations of true order. Furthermore, this economic autocracy in the family is already a thing of the past among the property-owning classes, and its threnodies have long since been sung with all necessary fullness. And among all other classes, we suspect, economic autocracy, and indeed family autocracy of any kind, has practically passed away. Its practice is doubtless limited to a few men whose minds are closed to the mental influences of the age;—but these are, of course, precisely the men in whose hands any large power is unsafe. When the enlightened have voluntarily resigned all traces of despotic power it is surely time to wrest it from the hands of the dull brute.

The equal recognition which our distribution of Income would extend to women would reinforce the best tendencies of modern thought and practice. It would give the whole of the sex a power of self-development and independent action which would greatly hasten the world-wide movements of to-day tending toward their larger usefulness. Though the constitutional conservatism of the world seems to crystallize into dense opposition in the path of this movement, it is plainly irresistible. To find fault with it is to chide the ocean for its advance.

The recognition of children as units of human society is a change of decidedly smaller scope than the preceding, but as firmly based in sound considerations looking to the general welfare. It is but a small, a very small, check on the absolute rule of the parents, yet the amplest refuge that appears to be

feasible from the terrible oppression that in abnormal cases usurps the place of measureless tenderness.

The primary need of every child is to be well-born,—to be welcome, to be cherished, to receive the priceless guidance, oversight and help which only love can furnish. Failing this its case is so forlorn as to make the best-devised remedial measures seem almost pure impertinence. But practically the unfortunate cannot simply disappear from the earth, and solve their problems by giving them up. Life must be lived out to the bitter end, under sunny or cloudy skies; and no situation is ever so bad that it is not worth while to make the best of it. The help which can be given where creative wisdom has been mocked is always pitifully inadequate, but it is none the less necessary and beneficent.

The child-saving work of our day is a noble example of the benefits flowing from a real charity of equality. It has revealed, for one thing, what an unsuspected amount of real, saving love, hope and faith is to be found in lowly conditions of life. These seem to be ample to cope with the problem so far as their side of it is concerned; and we have to-day the almost incredible situation that the most helpful work which has ever been attempted for the regeneration of the waste places of society is hampered, not by lack of the moral forces, but for need of comparatively trifling funds. Who can think without shame upon the fact that the total annual expenditures of the Children's Aid Society in the principal city of the nation are greatly exceeded by the (reported) cost of a single social function dedicated to the deity of Display. Verily, the services of the kingdom of

heaven are offered to us almost for nothing, yet we cannot seem to afford them; while on the other hand we find the services of His Satanic Majesty indispensable, even though they do come high.

In this aspect our modest help for the helpless becomes important. Where hearts are ready to assume the burden of soul-saving, the child's share in the Property in Ideas could smooth away the financial difficulties. No matter what shape the problem might take, the possession of such dependable funds in case of need could not well fail to be valuable. It might surprise many of us to the last degree to discover how ample, both in willing hearts and plenteous funds, are the World's resources for the solution of her problems;—how largely the difficulty consists in the wide separation of the two elements;—what unfathomable results would flow from the wise use of the plenteous funds to release for labor the willing hearts that are now bound in the chains of circumstances.

We think that any one who has followed us thus far in our survey of the new aspect of society, will admit that it would show far more than a few detailed reforms;—that the influence we have invoked is a general tonic power; that it would wonderfully quicken the life of society, and give it greater vitality to outgrow its diseases and to slough off the scars of its wounds. This influence would primarily show itself in the new hope, new vigor, new freedom and new fraternalism in society; but all these would inevitably work to bring about another change which

would be perhaps the most important of all,—the development of a new responsibility.

One of the most discouraging facts about our present social status is the nerveless fatalism of large bodies of the poor,—and of no inconsiderable portion of the strata whose social connections are higher. Life presents the aspect of an insoluble enigma to these people; they have tried to guess it, have failed, and now have definitely given it up. They “mean well,” but do not mean it very strenuously; and they have no notion of suffering for their good intentions. The consequence is that they act with childish unconcern for the necessary effects of their acts, and especially in their economic relations with their fellow-citizens they are a disturbing force of great importance.

Including those whom this description fits partially, as well as the pure types, we fear they are numerous enough to elect the president could they but act in concert. There is no danger of their doing this in political matters, but in the ordinary concerns of daily living they act with a nice unanimity in derogation of commercial honor. Their word is as good as their bond,—and no better. They have no tangible property, therefore courts are powerless to execute civil judgments against them; they take no thought for the morrow, therefore they cannot fulfill their promises ; and their word and bond are alike worthless.

Of course the unrelieved black of this picture is only accurate of a comparatively small portion of those we are considering, but the general characteristics here sketched are widespread. Dispensers of credit know that the financially responsible are a com-

paratively small and select class, the others who are morally responsible are almost as small numerically, and even more select. They group all the rest under the generic title "judgment-proof," or some similarly opprobrious name ; and find it practically necessary to assume that a man belongs in this class until he is proved to belong to one of the select classes. In other words, looked at with a business eye the world as a whole is irresponsible ; the responsible people are a small minority.

The significance of this fact in the line of our inquiry lies here: — these irresponsibles do not count among the positive, propelling forces of society. They may not be lazy,—(though the tramp is assuredly of the genus under consideration); — in fact many of them are hard and steady workers, but—they do not look before and after. They accept Nature's or custom's bounds as a finality, and have no conception of determinedly assaulting them. The evolution to which their labors contribute is purely of the brute variety. Had we a community composed of them alone we could therein demonstrate beyond cavil the validity of the Malthusian law of population and the wages-fund law.

To have the whole population financially responsible,—to have every man so regardful of his obligations that he could not afford to let a judgment be entered against him ;—to the dispenser of credit this would seem like the millennium. Yet this result would infallibly follow from our redistribution of the income from the People's Property in Ideas. Not that we would make a man's share of Income accessible to the creditor on a simple contract debt, but that his

share of the Income would make him a property-holder. Almost every man whose aspirations for better things were quickened to a resolve by his possession of this seed-grain, would embody part of his hopes in tangible property. Many more of the comparatively poor would come to own their homes, many more would have definite business investments, many more would have considerable amounts of savings placed in various securities. But more important, even, than all this would be the advance in the commercial value of men's words. Men whose thoughts were bent hopefully on the distant future could not afford to cast the least discredit on their financial engagements. And as we believe that our plan of reform would infect with new hope and new vigor the whole range of society, so do we also believe that it would make men quick to feel as a wound the disgrace of shirking their own proper burdens.

Perhaps no one aspect of the changes that our plan would bring about more fully epitomizes its spirit than this. Our vivified social body would be universally responsible, universally composed of burden-bearers. This alone would make it a hopeful, a cheerful, a fraternal, an effective society. It is the multiplied burdens fallen from ungalled shoulders that crush the burden-bearers of to-day, and consume the strength and mar the hope that make men archangels. It is the equitable distribution of the world's burden that will make it light ; it is the universal assumption of the yoke of society that will make it easy. And it is the glad and joyous freedom of fraternal service under a tempered yoke and a widely-shared burden that will most surely usher in a new era of unprecedented advance in man's power over Nature.

BOOK IV.

THE WORKING OF THE LEAVEN.



## CHAPTER XVIII.

### THE NEW ASPECT OF PROGRESS.

IN the preceding chapters we have given a bare outline of the changes in our social fabric immediately connected with the adoption of our plan of reform. But any force so deep-seated as that which we have invoked affects intimately every form in which social action is manifested, and its proximate and ultimate effects are often more important than its immediate results. They are also more difficult to trace and exhibit accurately, for the farther the stream flows from the fountain the more it minglest with other waters. But their importance makes it necessary that we should not ignore them in picturing our vivified society, even if we be unable to give them fully or with certainty. Society is an indissoluble whole, and it is this whole which we must survey, to the best of our ability, in estimating the advantages and defects of any plan of social organization.

Let us therefore take up for consideration a few of the principal heads under which social activities are usually discussed, and estimate as accurately as we can the disturbances of equilibrium which would result under each as the result of our contemplated measures.

And first of the onward-tending principle of our modern society; — progress.

Progress we may consider as the manifestation of the life of society. While in strictness it is true that

societies have existed and do exist without progress, we of the Occident can hardly look on such existence as life in our sense of the word. All our surroundings, thoughts and forecasts include an assumption that progress is normal, necessary, almost inevitable. As an element in our social world we think of it almost as being fixed and immutable, as gravity is in the world of physics.

It is, however, far from having become a dependable fixture of society. In fact while the multitude look upon it as having been finally conquered and eaged, men of a philosophical turn of mind are never tired of showing us by what a slight thread we hold it,—how easily the hand of time may turn backward upon the dial, and the modern world go the way of Greece and Rome. Make this or that slight change, they say, allow one or another tendency to develop to excess, and we shall find the ceaseless forward motion of several hundred years brought to a standstill, and the vast fabrie built up by its advance left to decay.

It is noteworthy from our point of view that not a few social philosophers have identified the efficient cause of progress as being in the last analysis simply the struggle for existence. If this be so, the freeing of the human race from the fear of hunger would seal its doom. It would become stationary, decline, and finally take its place again among the beasts.

We have elsewhere considered this proposition with sufficient fulness, and given our reasons for believing it to be unfounded. Here it does not concern us. Here our problems of progress are problems that assume its continuance. For whatever be its life-principle, it is assuredly now of a vigorous and sturdy

growth. Whatever be its ultimate fate we must count upon its presence in the immediate future.

But strange to say it is not as a welcome visitor that it abides with us. We should hardly be dealing in paradox if we declared progress to be the universal enemy. Undoubtedly a large part of mankind live in abject fear of it. While they cherish the ground that progress had won before their day, they distrust its advances made within their memory, and look forward with serious apprehension to its next forward movement.

A large part of this manifestation of feeling is simply instinctive,—the inborn conservatism of human nature. The minds of men differ almost infinitely in their grasp, and as the rate of progress is at any given time fixed largely by the power of the leaders, the slowly-developing minds of those in the rear are always undergoing a painful struggle to keep up with the procession. And even more conservative than the ideas are the habits, sentiments and associations of human nature. Ideas change, slowly but relentlessly, in the most conservative ; but habits and associations, once formed and settled, often remain to the end of life defiant of, and but slightly influenced by, the new surroundings.

But this is not the problem. There is no harsh government in the realm of ideas, and while the conservatives feel vaguely ill-treated by the intrusion of the new leaven, they are in no way rudely constrained. But in the realm of economics it is otherwise. There the ideas of the leaders are, by the automatic action of economic laws, harshly forced on almost the whole frame of society, with accompanying loss of power,

property and position to those who are, either by tendency or necessity, conservative. This is the real living, throbbing problem of progress in our modern world.

We are all familiar with the physic that has been applied to this problem in the past,—and indeed still is applied in the present. Maddened by their pain and sense of wrong men have tried to strike down the ruthless demon, Progress, by breaking the machinery and obstructing the processes in which he was to their eyes embodied. Actual violence looking to this end is now definitely abandoned and laid aside as a failure ; but there is no doubt that the feeling of wrong and outrage lies as an obstructive tendency in the path of all economic reforms,—that society in the main still snarls and bites at the hand that is put out to proffer a horn of plenty.

The loss and suffering which seem to be in some shape the price of all advance, economic or otherwise, are doubtless deeply rooted in the nature of things. They have been described as “growing pains,” and the simile seems to us just and luminous. Leaving out of account all economic results, the process of assimilating new ideas seems to include, for the mass of mankind, a painful mental wrench and strain. By analogy we might expect to find in the economic world a similar period of stress upon the introduction of an innovation, to be followed by a period of readjustment, and a final definite gain. All this we do find in society as a whole, and no sense of wrong or outrage can well attach to anything so evidently natural.

But the process which, viewing society as a whole,

is natural and benign, is harsh and unjust when viewed with reference to the individual social units. Evidently the synthesis which views society as an organism, coördinating the functions of its individual parts as the brain rules the members, breaks down here. In a healthy organism no member is cast suddenly off, withered and useless, by a change which benefits the general body. But even were this the case,—and it must be admitted there are some biological processes akin to it,—it would fail to illustrate our social problem of progress. For in the physical body the members are but parts of the whole, with no individual existence. Society, on the other hand, is a derivative unit; its component parts exist as individuals independently of its synthesis. In the one case the test of health is the welfare of the body; in the other the welfare of the units is the primary test.

Viewing the problem of progress from the standpoint of the individual we notice this anomaly in his relations with the social body: — his welfare, gained through any normal economic activity, almost inevitably inures to the benefit of society; but, on the other hand, society's welfare, accruing from the sum of the normal individual activities of its members, does not with any similar certainty inure to the benefit of the individual. In other words, the contribution of the individual to society, granting his ability to contribute, is practically uniform and unfailing; but society's contribution to the individual is highly uncertain, and often almost entirely lacking.

The fact is, the individual member of society has never succeeded in establishing his right to participate in its welfare. He is apparently working in the

closest partnership relations with society, which exercises the full right of a partner to share in the proceeds of his labors, but which nevertheless steadfastly denies that there is any partnership fund to which he on his part has access. Society is willing that he shall share the losses, but will not admit him to a share in the profits. Although there is manifestly valuable property belonging to society as a whole which could easily be made to produce such a fund of partnership profits, it has never been so used. The proceeds from it, on the contrary, have been used to reduce prices to society's customers to the end that business may be kept brisk ;—a rather unnecessary measure, it would seem, in view of the fact that society has a complete monopoly in the lines of its production. But if any objection be offered to this policy the obvious reply is always ready that all one has to do in order to share in the proceeds of this fund is to become one of society's customers,—the larger the better.

The setting apart of the Income from the People's Property in Ideas would be substantially establishing just such a partnership fund. Such an institution would make no new levy on the individual: society is already the ultimate beneficiary of his most valuable work,—his contributions to the Property in Ideas. But it would establish these possessions as a trust fund composed of the contributions of individuals to the general welfare, and it would administer them for the general welfare by an universal distribution of the profits to the social units. And in its regular distribution of Income to the individual members of the social body it would supply a constant demonstration of the essential unity of society in action and in welfare,—

that just as the activity of the members contributes to the life of the body, so also the life of the body spreads to the remotest members.

Such a measure would practically abolish completely the conflict between progress and the welfare of the individual. The individual would have a direct interest in progress,—every new conquest of nature would add to the People's Property in Ideas, and hence to the individual's income. Of course this would not be the immediate effect of an invention, for it would be held for a term of years as private property. But there would be a constant succession of patents ceasing to be private property, and falling into the People's Inheritance, and thus the individual's income from this source would be constantly increasing. Such a demonstration of the universal beneficence of progress would be too powerful to be ignored for an instant, and the race would soon take a position of joyful expectancy in straining their eyes to see the dawn of the coming day.

We do not say they would cease to count the cost. This is not to be expected, or even desired. Growth is a normal, but not an easy process; it proceeds by stress and strain, and painful readjustment. Men whose slowly-acquired skill and knowledge were made useless by some new invention would not think lightly of the growing pains of society. But they would not feel themselves to be withered and useless members of society; its vital currents would still reach them in the shape of the funds for self-development,—the Income from the People's Property in Ideas. Sustained by these they could serenely encounter the task of readjusting themselves to the altered conditions,

and would start out once more on their path of steady and purposeful endeavor.

Thus the general progress of society would be constantly raising the general level of social well-being, and providing for every one a constantly increasing power of self-development. But this would not in the least tend to reduce life to dull uniformity. On this broad and solid base of equal opportunity which bygone generations have bequeathed to their kind, men would rear their personal life-structures, each after his desires and according to his powers. There would be no tendency to unnatural equality, none—or very little—to unnatural inequality. But the full range of variety which exists in men's natural aptitudes and abilities would be fully developed, and the life-music of the race would sound the rich concord of infinite diversity, blending into one harmonious whole.

## CHAPTER XIX.

### COMPETITION AND COÖPERATION.

ONE of the points concerning which the present frame of society is distinctly on the defensive is the assumed ferocity of its foundation principle. The socialists make much of the naked brutality and inhumanity of competition, and point out the identity of its processes with the unspeakable struggle for existence in the brute world. It is, they say, a carnival of murder, robbery, cruelty, avarice and lust, disguised under thin veneers of respectability; and tends, just as the brute process of development tends, to the survival of the most brutal,—the “fittest” in the brute sense, the unfittest in the human. It is also, they further declare, the antithesis of coöperation, which is the really human agent in development, and until it is utterly eradicated from our springs of action there is no hope whatever of any amelioration of the evils which disfigure our society.

The socialists really seem to have carried this point with the more thoughtful observers of our present social tendencies. They have brought it to pass that competition is rarely mentioned by these but in a tone of depreciation that assumes its evil tendency. In fact even among the hard-headed business men competition has lately fallen into disfavor, and the tendency of to-day is to lay emphasis on its limiting principles. All this makes it look very much as though the claim of the socialists,—that society is on

the eve of a sudden transformation to socialism,—were not entirely without foundation; and numerous persons who are in no way wedded to socialism by free choice, yet look on its coming in the near future as inevitable.

To ardent souls the promised land seems always just at hand, and to constitutional conservatives the evil days are always threatening; but we think both friends and enemies have overrated the forwardness of this movement. The elements of strength in the competitive system have evidently failed to receive proper consideration. It is not merely that it still has at its back the hosts of the unterrified who cleave to it because it is “practical,” and who think reform on humanitarian lines is pure moonshine,—such armies have a way of melting like snow when the hour strikes. It is not merely that it is in practically full possession while the discussion is proceeding, and that no adequate substitute is at all ready to displace it;—possession with its nine points of the law counts for but little when its moral basis is gone. But it is precisely because its moral basis is still strong that competition yet abideth and faces the future with power. It is because it is to a great extent doing the needed work for the race,—because in its normal mean, unspoiled by excesses, it is really an efficient instrument to secure coöperation, not strife,—that it is to-day in the full vigor of life, and, to our thinking, shows no signs of decrepitude.

The reputation of competition is suffering to-day from an unproved charge. It bears the odium of producing the terrible injustice, suffering and social menace of our Inferno. In every new extreme of

poverty and destitution which is discovered and spread before the world, competition is always close at hand. The poor vest-maker is forced by competition to accept starvation wages, or the tremendous competition for employment makes it almost impossible to get a situation. Thus the *prima facie* evidence always points to competition as the culprit,—and competition can never prove an alibi. In this way the impression in the popular mind deepens into conviction; and grave discussions of social problems proceed upon the assumption that competition is pure brutality,—that the cases of extreme but non- culpable poverty which are so common in our great cities are necessarily the results of excessive competition, and that its action inevitably shows an uncontrollable tendency to develop to excess.

But while all this study of the pathology of competition is going on, the great normal world is almost forgotten. For competition is not less the ruling influence of the strong and prosperous than of the weak and poor; it guides the labors of man the archangel as truly as it constrains the destitute, despairing, imbruted member of the race. Under its banner has been effected the colossal coöperative achievement of history:—the advance by man to power over Nature's forces, the glory of the Wonder Century. The human method of development is within its scope as fully as is the brute method; the multiplication of power as well as the division of results. Evidently it is not the necessary and normal result of competition at which we shudder in the victims of the Inferno,—it is some ghastly perversion of its power. And it is likewise evident that we cannot afford carelessly to cast aside

in favor of an untried dream the influence that has motived the Wonder Century.

Now we maintain that the crying evils which the victims of the Inferno have suffered at the hands of competition are due, not to its excessive, but to its deficient, action. It is a dearth of competition that has crushed them, not an over-supply. For the normal action of competition presupposes a balance of power. It demands of both sides to a bargain the power to agree or not to agree,—to close this contract if it be favorable, or to look elsewhere if it be otherwise. A one-sided bargain is as great a monstrosity in economics as a single-bladed pair of shears, or a tooth in an upper jaw with no mate in the lower. If the power exist on the one side, and no corresponding check respond on the other, it is no real process of competition ; no free bargain, but a license to oppression. It is this oppressive power developing in the absence of competition which has strewn our highways with the ruins of men, and filled our Inferno with economic corpses.

But the remedy ? It is certainly not to abolish competition and establish a premature paradise. The remedy for scarcity is—not famine, but—plenty; the remedy for oppression is, not less power, but more,—more power of resistance. And so the remedy for the terrible pressure of competition on the very poor is the power to apply an answering pressure. The actual pressure is not very terrible: once given the power of meeting it, the oppressed would find it a merely healthful stimulus, and would profit by the warm glow of life and the growing courage which are its normal effects. Once give every man the power to

consider a proffered bargain in the light of its appeal to his hope, and competition would no more be oppressive; it would be as a two-edged sword, quick and powerful to cut the knots of intricate problems, and award substantial and living justice to the poorest as well as the most powerful.

"But this," say the socialists, "would be but patchwork reform; it would merely be seeking to remove the clearly unbearable evils of our social system to the end that we might continue to cherish the lesser evils. So long as the mainspring of our economic actions continues to be purely and frankly selfish, so long as we make the individual first in his own eyes and society second,—and a poor second,—so long will we bring forth the fruits of selfishness,—the bitter fruits of poverty, disease and oppression which curse the land to-day. It were vain to tend and water the plant of self; the more you develop it the more selfishness it brings forth. The only way out of this fundamental discord is to strike the chord of unselfish coöperation, and to let the chord of self pass out of sight."

We are in entire accord with the socialists in seeking coöperation. The system that confesses itself against coöperation seals its own doom. Coöperation is the Open Sesame that commands the gate of the future; it is the only method by which pigmy man can cope with titanic Nature. But it is a great mistake to think that coöperation answers the wand of sentimentalism; it springs, like every other human action, from competent motive. And the motive which has produced all the serious coöperation that the world has yet seen is the appeal to each individual's self-interest,

which self-interest coalesces into mutual interest under the incentive of mutual desire and the guidance of wise foresight. This is the power which is wielded by the method of competition, and so far as we can see it is as likely to rule the future as it has been powerful to shape the past.

The error of the socialists lies, we think, in supposing that selfish action and altruistic action take opposite courses. But this depends upon the range of view which guides the selfishness. Aimed at some small, sordid, immediate advantage, selfishness is distinctly a non-social force,—an analogue in the human race of the brute struggle for existence. Aimed at a distant object of noble aspiration it becomes of necessity largely coöperative, and finds its success necessarily bound up with the success of others. Thus we are led to surmise that what we call selfishness is shortsightedness,—that the end the truly wise man seeks for his own good serves also his neighbor and advances the general good. The fixed stars show no parallax, though viewed from the opposite ends of the earth; and however wide apart may seem the present courses of egoist and altruist, we may dimly divine and reverently trust that judged by the distances of eternity they seek a common goal and are parallel.

But the socialist will of course claim that the ultimate end of the general good is still infinitely distant from the present tendencies of competition, while he proposes to establish a commonwealth which aims straight for the general good as its primary and essential motive. And his picture of this commonwealth is highly seductive; if it be true that we are perversely excluding such a reign of peace and plenty by harden-

ing our hearts to his propaganda, we shall need to look well to our ways.

But while we would not be thought hostile to the new causes that may be "God's new Messiahs" we cannot believe that the new causes bring new principles of human nature with them; and judged by the principles of human nature which have hitherto obtained, the socialistic plan evidently displays one serious weakness;—it lacks motive. Let us examine for a moment its underlying ideas.

The socialistic commonwealth proposes, as its fundamental principle, community action for community ends. To be strictly logical it should propose a community motive. But it is manifest that no such thing as a community motive can exist, for the very good reason that the community as a sentient being,—a being that can aspire and resolve,—has no existence. However luminous may be the figure of speech which considers the social body as an organism, it is evident that it has its limitations. The essential differences between a primary and a derivative unit,—between a man and a society,—must be carefully kept in mind in reasoning upon this parallelism, or dangerous fallacies will result. However carefully we may examine the real community we shall fail to find any possible seat for the motives that influence a man, the primary unit of society;—we shall fail to find community desire, community motive, or community will-power. The motive power of the community is the resultant of the motive power of its primary units; and in tracing the action of any community, egoistic or altruistic, to its source, we in-

evitably trace it to the personal motives of its individual citizens,—that is to say, to selfishness.

“ But this formidable logic,” say the socialists, “ proves entirely too much. Even under the present reign of incarnate selfishness as the bond of society, we have had instances of noble community action for community ends. It is, therefore, folly to say that the same cannot be true, and true to an infinitely greater extent, of a community framed for seeking the general good.”

We do not say, however, that community action cannot promote community ends;—we only say it can only be motived by individual motives. Twist and turn and involve the incitements to community action however we may, they all come back to the same test, —Do they appeal to the ruling motives of individuals? The socialists tacitly concede this point when they paint their highly-colored pictures of the general happiness resulting from their proposed reorganization of society. Of course this is simply a direct appeal to selfishness;—it seeks to introduce the supposedly altruistic organization of society by showing it to be better for the individual. Socialism could not hope to be retained if upon trial it should prove to be detrimental to the individual welfare, and the socialists would most energetically repudiate the idea that such a result could possibly follow. Thus the very prologue of the socialistic propaganda is found upon analysis to rest squarely upon those motives of individual selfishness which it so emphatically condemns. As a plan for superseding selfishness as the motive of society socialism is a failure, for it has no other motive with which to supplant it. Its

altruism is simply a high-sounding name for enlightened selfishness; its socialistic régime is simply the same old society with a new outfit of machinery.

Granting, then, that socialism proceeds from the same ultimate motives and seeks the same ends as our competitive society, the machinery through which it seeks its end constitutes its essential peculiarity. Let us turn for a moment therefore to examine the machinery of socialism.

This is not an easy task; for the creed existing as yet principally in the minds of its advocates, and its advocates having many and diverse minds, socialism itself takes many and diverse shapes. Its most philosophical presentation is simply as an alleged tendency of our present society to supersede individual action by collective action; and in this shape, not having built its glass house, it is substantially beyond criticism. But its most popular presentation assumes absolute equality of rewards for every member of society regardless of the importance of his contribution to its welfare; and most other forms of its propaganda which have permitted themselves to take definite shape tend toward this extreme, even if not going to its full length. Taking the movement in its most general form, therefore, we may say without serious inaccuracy that the essence of the proposed machinery of socialism is its method of abolishing the book-keeping of society,—of trusting in each member of society to furnish his due contribution to its welfare, without providing any direct incentive to exertion or check to inaction.

By book-keeping we mean not merely the actual keeping of commercial records, but the universal

defining and allotment of individual shares in the product of social activities as a necessary preliminary thereto. The defining may not be done faultlessly; the awarding of the shares may be open to just criticism, but—they are defined somehow. Production is parceled out into individual shares, and in this way each individual has a definite rating put upon his services. When we consider how vast and intricate is the collaboration of different workers in the world's tasks, the mere formal appraisement of their services, defective though it be, will be seen to be a huge result. And it is a result which at once applies the most powerful motive to quicken the intelligence and spur the diligence of the whole range of industrial effort.

There are two main considerations to be weighed in appraising the value of labor. One of these is mainly quantitative—so many hours' work done, tons lifted, acres ploughed. To appraise such items is comparatively easy. The other is primarily qualitative,—work of the higher grades, which refuses the ordinary criteria of value, and contains a large individual and originating element. To appraise this is really one of the deepest problems of social organization. Yet this complex of delicate and elusive values is readily and regularly appraised by the tests of our competitive system,—not perfectly, but sufficiently well to apply strong motives for the exertion of the highest possible powers. It is the exertion of such powers that justifies our figure of speech in calling man an archangel. Whatever may be said against our competitive civilization, this is assuredly a glory in its crown.

Now, as we have said, socialism largely proceeds (in imagination) upon the method of entirely dropping this book-keeping. This is not true of all its forms; some of them may propose to retain its simpler processes. It would be a comparatively easy and unimportant matter for socialism or any other plan of social organization to keep a mere record of the quantity of ordinary labor performed by each individual, and award certain modes of recognition to it. But the present competitive method effectively tests the *quality* of labor, and by a method hardly open to socialism,—by opposing to the recognition which it seeks the criticism of an opposing interest. Every man sells his labor to another whose interest it is to depreciate its importance. It is easy to find fault with this method, but it applies a genuine criterion to work of the most valuable kinds, and furnishes a real test of its quality; and socialism has absolutely no means of performing these functions, so far as we can see.

The motives on which socialism counts to fill this important gap are (1) conscience, and a sort of social honor; and (2) the mutual espionage of the workers. Citizens, feeling their obligation to the state, would be too honorable to repudiate it, and they would ostracize anyone who attempted to do so. We think it can hardly be doubted that these motives are, within their sphere, dependable; that their operation would, under favorable circumstances, insure a high-minded fulfillment of social duties, and a burning indignation against those who apparently shirked their share of burdens. It would thus bring about a regular, punctilious and systematic activity which would satisfactorily perform many of the functions of society, and

would doubtless be an improvement in many ways on the present régime.

But socialism has abolished the deep book-keeping of society. It has proudly committed the welfare of the social body to the honor of its individual members and the *esprit de corps*. The members have also, as we have seen, genuinely selfish motives to desire the welfare of society, because their own welfare is bound up with it:—though this point is not emphasized by the socialists. What will be the result?

The most important point to be kept in mind here is this: the worker will not accurately know the results of his work. Especially and increasingly will this be true if he belong to the higher grades of labor,—the kind that takes thought for the morrow and crosses a bridge before coming to it. He will have his own opinion, of course; but no man can long trust the sanity of his opinion on this subject, unchecked by hard facts. He may exert himself with especial vigor and anxious attention some one year, let us say, and the general result of society's operations may be unfavorable; or he may decide that the next year he will take his ease and avoid worry, and the general result may be magnificent. Either result would be deeply discouraging to strenuous exertion; he would come to feel that his laboring or abstaining was immaterial. Our worker's belief that he had rendered important service would be matched by the similar opinion of every empty braggart that *he* had moved the world; and both would thereby be made ridiculous. In short the thread of connection between cause and effect would disappear in a bewildering labyrinth; the worker's grasp of motive would be lost.

Under these conditions, failing a special providence, the most important work of society,—the work that lays the unseen foundations for the visible results,—would simply not be done. The men who look before and after, who lie awake at night wrestling with the problems of the future, who groan and sweat in mental travail to make broad highways in the wilderness for the easy-rolling coaches of the multitude,—these men would be smitten as with paralysis. The scarlet thread which had been wont to lead them through the most labyrinthine mazes,—the thread of causation,—would be hidden from their view; and without it they would be as helpless as the blind Samson.

We do not now speak of scientific discoverers, or great teachers, or statesmen, or artists, or any of those who work in the public eye, or seek their main reward in public honor. These *might* be reached by such incentives, even if no others were added. But the work which seeks results of broad utility patent to the masses, yet seeks them by the processes of original or creative power open only to the few elect,—such work could not receive even the small laurel-wreath which is all socialism would have to bestow. Lacking recognition, lacking power to confer the sure self-knowledge evidenced by indubitable results, such work would die, and we should have it no more among us. And with it would die an elemental force of our modern civilization,—the process or power by which the most occult discoveries and achievements of the greatest minds are pressed into the practical service of all the people, from the least to the greatest.

This we firmly believe would seal the death-warrant of modern civilization as we know it. Deprived of

this quality it would soon have run its course. Truth might still be pursued as it was in Athens,—for the excitement of the chase; but her earth-bound sister, knowledge, whom Athens never really knew, would no longer be wooed as the modern world of industry has wooed her,—as only she can be won,—with the patient yet burning ardor which seeks permanent possession, and the command of her lowliest as well as her grandest services. Inertia would begin to reassert its power, society would lapse into a decorous conservatism, and the seemingly inexhaustible supply of motive power which has so long kept the world quivering with the excitement of forward-tending fever, would take its leave.

By careful consideration of these points, we think, anyone can convince himself that the abolition of our social book-keeping is not an elemental force. By obscuring the evidence of connection between efforts and practical results it weakens the incentive to the effort which seeks primarily such results. And this without reference to the question of selfishness or altruism. Even granting that a man's desires for such results were inspired by purely unselfish ardor, they would not issue in persistent effort unless the effort were manifestly fruitful.

Yet outside of this peculiarity of omitting book-keeping, we are unable to see anything in socialism except a perpetual-motion machine. To this machine we apply a motive,—and as we have shown it is the same old motive of selfishness, under an alias. Through it we seek results,—and as we have shown they are the same old selfish results men have always

sought, though now called "the general welfare." From it, we are assured, will spring the most beautiful fruits for all the race,—results far beyond man's wisdom to work out under the guidance of self-interest. Yet if we ask whence came this magnificent accession of power, wisdom, beneficence, we must rest satisfied with discovering that it is the innate principle of the machine.

We can hardly go wrong in clinging still more closely to the rock-founded truth that machinery is not a source of power,—that a perpetual-motion machine, mechanical or moral, would contravene the foundation principles of the universe, and hence is impossible. It will follow that socialism is restricted to the fruits of its motive,—the universal motive,—selfishness; that to make these fruits subserve the general welfare, it must be a wise selfishness; that given a wise selfishness, our competitive system is entirely competent to serve the general good. And miraculous results in the production of wisdom are hardly to be expected from a method that is content to obscure the evidence on which self-knowledge must largely rest.

And now let us turn for a moment from the task of making machinery originate power to the less ambitious but more hopeful task of making it apply properly the power which is already at hand in great abundance.

For our competitive system does originate, or at least evoke, human productive power in great abundance. In fact the exceeding plenty of motive power in our modern world is sometimes an embarrassment: we might charge competition with producing power

too abundantly were it not that the idea of an excess in productive power, when we come to think upon it, seems grotesque. The World may have at command more power than she can manage: she can certainly never have more than she needs.

But the embarrassment of this surplus productive power lies in the conflicts into which it is drawn or forced. Men turn against each other the power of their right arms. Throughout the whole range of society's producing forces the noise of blows resounds. Our wealth-production, instead of being founded on coöperation, seems to be founded on general hostility. And it is against this awful travesty of brotherhood that the socialists solemnly appeal.

But before we become parties to a root-and-branch reformation of society in this particular let us inquire somewhat further into the desirableness of the socialists' ideal. Is universal humdrum peace our only rational goal? Are all contention, all vigorous self-assertion, all crossing of one another's courses, destructive and anti-social? Is the ideal social body a family of milksops? Are the meek and "umble" to monopolize the earth? Are a cool and steady nerve, a vigorous self-command, a fine physical courage, but relies of barbarism?

For our part we are unable to conceive a healthy social state which should provide no proper outlet for combativeness. There is no real way of knowing one's strength except to oppose it to that of an adversary. The instinct of battle is deeply rooted in all virile races. It must have gratification; and with the progressive dwindling of the opportunities for its exercise in actual war, we have seen an extensive system

of substitutes grow up in the shape of athletic games and competitive tests of personal physical power. We may safely conclude that such a widespread manifestation reveals a deep-rooted need,—that the hunger for the conflict is not abandoned and superseded as men grow civilized, but that it persists in all its primeval intensity, simply assuming civilized forms.

The serious business of life in this age of the world is industry, and not war, despite some disturbing reactionary symptoms ; and peaceful activities now employ a large part of the energy that once was devoted to deadly conflict. But if human nature be still in essence the same,—and it certainly changes very slowly, if at all,—it will still demand the same underlying realities in the new conditions that were undoubtedly, despite the attendant horrors, found in the old. The chief of these in the warlike state, and one which, we think, must ever be chief in a society that manifests vigorous life, is the testing in strenuous conflict of men's power for leadership. It is this function that industrial competition inherits from the ancient warlike competition; it is this eternal need that must justify the retention of endless strife in an age that prays for the thousand years of peace.

For it were surely a poor augury for the fate of modern civilization that its tests for leadership had become easy and unexacting. This would seem to indicate a popular belief that we have safely passed through the wilderness and are now entered into the land of milk and honey, easy-chairs and Pullman-cars. If this be true,— if our future progress is to be through a flower-strewn plain, to the music of laughter and pleasant voices,—then perhaps easy-chair leader-

ship may suffice us. But if our onward path leads upward to the heights over daunting precipices and spectral glaciers, we need, we must have, *men*. In that case we must increase rather than relax the rigor of the requirements in our training-school for leadership.

It may be urged that free competition in the past has not been infallible in developing leadership of real nobility and power. It assuredly has not; but it has been reasonably fruitful of such men, even though the dishonest and the mountebanks have occasionally been able to foist themselves into high positions. Nor has our competition hitherto been really free; hunger and destitution have ever been held as penalties over the heads of the poor who dared aspire to freedom. But with every member of our industrial forces really free, and only to be ruled as freemen are, and with the serious strength of our industrial organization directed to increasing our command over Nature, the natural tests of leadership would greatly increase in rigor. Under such circumstances, we fancy that the false coin would cease to pass current,—that with very rare exceptions only those men would obtain and hold high positions of command who possessed elemental power and incorruptible honor and honesty.

The modern spirit of condemnation for the fruits of competition does not include in any noteworthy degree the larger manifestations of its power. The stern strife for leadership among the giants of our commercial world does not call forth the contempt and disgust of the spectators. It is a strife of the creative, not of the destructive forces; it is, not the negation but the culmination of coöperation. The true type

of coöperation is not flat equality, but ample diversity; its true illustration is not the even advance of a drilled rank of soldiers, but rather the mutual relations of command and obedience, the graded status of higher and lower, which weld soldiers and officers into an efficient army. The distribution of the forces of industry into their proper relations and positions in the industrial army is a true measure of coöperation; and the process of vigorous strife for the upper positions by which this is accomplished is essentially a manifestation of coöperative force, however much its apparent harshness may shock weak nerves. But it is not really harsh and malignant, nor does it sow the seeds for society's fatal discords. On the contrary, under normal circumstances nothing is more likely to engender mutual self-respect and a strong fraternal feeling.

The weakness of competition is not to be sought here. There is nothing shameful in a manly contest, nothing degrading in measuring one's power against a worthy adversary; the success of a generous victor is not a license to cruelty. The sickening aspect of our competitive system is the battle between our strong men on the one side, and the weaklings, children and defectives of the Inferno on the other. This is where strife issues in measureless contempt on the part of the conquerors, and in either spiritless grovelling or intense hatred on the part of the conquered:—all of which sentiments are among the disruptive forces of society. This is where the contest takes shapes of cruelty which are forbidden by the tender mercy of the prize-fighter's code, and which in warfare are looked upon as primeval barbarity. It is the sacking and burning of a captured city; the cold-

blooded murder of defenceless women and children; the pitiless denial of quarter to a prostrate foe; the wreaking of vengeance upon innocent children, relatives and dependents. No horrible cruelty of the brutish ages can be named that has not its prototype, somewhat refined but often made more exquisite in its torture, in this chamber of horrors of our most Christian civilization.

The hour has struck for this neo-paganism. No one who attends to the signs of the times can doubt that there is a steadily-growing sentiment whose rising waves will before many years dash angrily over and create havoc among the structures founded on these abuses. The socialists assume that this gathering tidal wave will, when it comes, sweep from the face of the earth every vestige of the institution of competition, and leave their equalized social order in possession. It is certainly hard to predict what may happen in that day: a revolutionary public sentiment is not always possessed of nice discrimination. But all precedents will be overreached and all the canons of lasting reform violated if the foundations of society are razed in the hope of curing a defect in the superstructure.

To us it seems as clear as daylight that there are two main faults of the institution of competition as it now operates, both plainly removable. In the first place no one should be hurried to the conflict unprepared. The central arena of competition where the giants battle is a stern trial of strength for any man; and the weak, sick, defective and faint-hearted have no business there. But in these modern days any man is defective without preparation; and competi-

tion can never be universally fair until society, out of the inherited funds in its hands, makes universal provision for a competent preparation. In the second place we should have no "fights to a finish" on the pugilistic or gladiatorial model. When a man had his adversary prostrate the voice of society should always counsel, and enforce if necessary, a wise mercy. It should not be permitted to the victors to thrust a man to the very depths of the Inferno,—the living death of pauperism,—and relentlessly keep him there, and to visit the same punishment on his children and descendants for an indefinite series of generations. The beaten should be permitted to withdraw from the conflict with economic life and a moderated hope, and to join the reserves of the industrial army who still kept up cheer and progress in a modest way, though no longer aspiring to the thick of the conflict. Of course the unfailing income from the People's Property in Ideas would make this possible for all.

With the enforcement of this tribute from our common brutishness to our common humanity, competition would no longer harbor survivals of elemental ferocity. We should have the kernel of that regenerated order for which the socialists long, but should have obtained it without sacrificing the triumphant power which has borne society thus far on its upward path. We could face the future not only with a clear conscience, but with power.

## CHAPTER XX.

### CRISES—OVERPRODUCTION—THE UNEMPLOYED.

THERE is a considerable body of economic writers and a large class of respectable citizens who scout the existence of the Beast, and are not in the least interested in tracking him. For these the riddles of the science of wealth largely centre around the mysterious phenomena known as Crises or Panics, and this subject becomes a sort of touchstone of the value of economic theories. We may in fact call it the Beast of the prosperous classes; for even those who cannot see anything except sloth and improvidence in the perennial distress of the poor, are yet constrained to admit that these periodical crises do strike severe blows even at their own revered persons,—blows which cannot be explained by the simple Merit theory; — and that therefore the same influences may possibly work some injustice to the very poor as well.

A crisis is simply a sudden check to business activity. The wheels of the normal productive and commercial activities are revolving merrily, when some influence partially arrests their motion. Usually its open manifestations of the first magnitude can be traced to some one important occurrence; as the failure of the Jay Cooke banking house in 1873, or that of Baring in 1890. But the rapidity with which the initial disturbance propagates further trouble, and the profound effect of the sum of these disturbances upon the economic world, seem to call for a further explana-

tion than tracing the series to its apparent beginning. It has been felt by almost all observers who have investigated crises that their real explanation lies deep in the constitution and functional activities of our modern world; and that to reach a complete understanding of them we shall have to solve some of the riddles that have hitherto defied our questionings.

Two secondary heads of economic discussion belong under this subject. One of these is Overproduction, usually largely blamed in the popular discussion of the subject as an originating cause of crises, and at any rate a seemingly inevitable concomitant. When the demand slackens for manufactured articles, production, because of the vast momentum involved in its operations, is almost certain to be slow in responding to the check. The mills therefore keep on running until the market is utterly swamped with surplus goods, and then shut down by actual compulsion of circumstances. This throws a vast body of labor out of employment to figure as the problem of The Unemployed; and these men, being left without dependable resources, cut down their living expenses to bare necessities, and sometimes below. This still further reduces the demand for goods, makes the overproduction worse, and completes the vicious circle of mischief. Every movement of the actors in this tragedy of fate to defend themselves seems to make the general situation worse, and ultimately to react upon their own heads. The medicine taken but develops the disease.

No more difficult problem in analysis could well be proposed than the tracing of these complex phenomena to their sources. For the sources are hidden, not as a gold coin in a pile of rubbish, but as a certain group

of men may be hidden in a crowd,—they are openly manifest, but indistinguishable. Almost every activity of our social forces is intimately connected with crises either as a cause or a result, or as both; and it is often impossible to decide which is the actual relation. Thus the difficulty which economists as a class have experienced in pursuing this analysis is, not a scarcity, but a plethora, of fair-seeming causes; and almost every imaginable influence, from the use of machinery to periodic sun-spots, has been brought into the field by some writer or other to serve as the explanation of panics.

When we come to a serious consideration of the various theories propounded, however, we may at once dismiss many of them as philosophically insufficient. Thus the universal scapegoat and bête-noire, Overproduction, while undoubtedly in a certain narrow sense a cause of panics, cannot be admitted as a true economic explanation of them. For general overproduction is impossible; men always have a plentiful crop of unsatisfied wants, and while this is the case overproduction can only be a special overproduction. It is a relatively excessive production of some article or articles, coupled with relatively deficient production of some other article or articles. But this mal-adjustment plainly needs explanation as badly as the panics themselves; and so we must direct our inquiry to discovering why production is liable to run to excess in special lines and correlative deficiency in others.

A rather elaborate essay in special pleading with a marked tendency to befog this almost axiomatic truth is contained in the late Mr. Edward Bellamy's recently-published "Equality," and the consideration

of its elusive subtleties may serve as a road to lead us into the heart of the subject. The special pleading involved is distributed throughout the volume and stated at large in the chapter on "The Economic Suicide of the Profit System," but the whole is epitomized in the "Parable of the Water Tank." It is an acute attempt to put the Overproduction bête-noire into the shape of a theory which will stand examination and which shall place all the responsibility on the capitalists. The desired mystification of the reader is greatly helped by the form into which the exposition is cast,—that of a parable in imitation of scriptural models.

The Water Tank was a reservoir in a dry land, controlled by capitalists, who paid the people for gathering water to add to its store. The people were charged two pennies for every bucket they drew from the tank for their own consumption, but only received a penny for each bucket they contributed to the tank. The natural result was that the tank was soon full to overflowing, for the people could only pay for, and hence could consume only, half the water they gathered; while "the capitalists were few and could drink no more than the others." Of course when the tank overflowed, the capitalists ceased paying for the gathering of water. Thenceforth the people had no pennies to pay for water, and hence could consume none; and the only way for the capitalists to empty the tank and start the wheels of industry again was to use the water in luxury and to waste it.

The inference insinuated here, and frankly stated elsewhere in the book, is that the gross *product* of industry is greater than the gross *remuneration* of industry, and as the gross consumption is limited by

the gross remuneration, it follows that production must always be in excess of the utmost possibilities of consumption. This leads us to the lame and impotent conclusion that the capitalists are left with, not the money profits, but the net profits of industry "in kind" on their hands, and no market for it; for "they could drink no more than the others." Yet after a pause, evidently for dramatic purposes, they do in some way consume the surplus stock on hand, consumption is thus equalized with production, the wheels of industry start again, and everything is lovely until—the same round is gone over again.

Now it is not in the least difficult to see why Mr. Bellamy made his capitalists refrain from consuming their water in luxury until the tank was full, the people out of employment, and a crisis created for our instruction. Had they done otherwise,—had they wasted the water at all times and seasons as their prototypes in actual life do,—we should have had no Parable of the Water Tank, and a bright jewel would have been lost from literature. For this is the sole contribution of this parable to the very plentiful fog that hangs around this question,—consumption is made unequal to production by leaving out the capitalists' consumption. After the inequality is triumphantly demonstrated the wires are pulled, the capitalists' consumption is allowed to join the main body quietly and unobtrusively, equality is restored between the two sides of the equation, and the actors are whisked off the stage amid shouts of Q. E. D.

In spite of some rather violent suppositions which Mr. Bellamy has made in order to fit his parable for proving that white is black, it will answer our pur-

poses about as well as any other illustration. Attentively considered it will serve to show the soundness of the thesis which we propound as the gateway to these problems. This thesis is: Production and *power* of consumption are necessarily precisely equal. This is a truth which is entirely ignored by many popular solutions of the problems of panics, to the entire destruction of any value in their conclusions.

To justify this assertion it is necessary to make one decided modification of the ordinary meaning of the term "production." What we usually mean by it is simply the bare manufacture of commodities; we speak of the process of exchange by which they finally reach the consumer, as commerce, or trade. But here we are seeking to divide all the activities of society into these two equal and reciprocal categories of production and consumption, which under normal circumstances balance and cancel each other. We cannot have an equation of three sides. Constrained thus to consider every commercial activity as belonging definitely to the one side or the other, we find it necessary to class all the distributive processes as production. Every process which normally adds to the salable value of an article comes under this head; the handling of the jobber, the common carrier and the retailer are all in this sense production. But this sort of production never stops until an article is sold to the ultimate consumer; and the price of the article here measures the total service embodied in it. Therefore the total measure of society's production is the last retail price put upon all the articles and services which constitute society's consumption.

But this aggregate of retail prices which consti-

tutes society's total production constitutes also its aggregate income. Every penny of the retail price of every article sold for consumption could be, were we omniscient, traced to somebody's pocket as income. So much for the retailer's profit, so much for transportation, so much to the jobber, so much to the workman, superintendent, manager, shareholder, so much for interest, for rent, for depreciation of machinery; —the analysis grows endlessly involved as we proceed, but one thing is clear,—every iota of the final retail value has come to somebody who can spend it. The sum of these infinitely subdivided shares is society's gross income, and it is composed of the same items, and is hence exactly equal to, the sum of society's production.

Now to assert that the workmen's share of the gross amount of production is not equal to the gross amount of production is puerile. The part is not usually equal to the whole. But the workmen's shares, and the managers' and capitalists' shares, and all and singular the other shares belonging to members of the productive forces *are* exactly equal to the gross amount of production, and hence the productive forces (including of course the capitalists) are exactly able to consume their entire output. To recur to Mr. Bellamy's parable, it can easily be seen that for every bucket of water that went into the tank, a power of consuming one bucket of water accrued, one-half to the laborer, one-half to the capitalists. If each possessor of the ability to consume *were* to consume regularly his water, instead of the capitalists being moved to consume spasmodically at the whim of Mr. Bellamy, we should have production and consumption exactly

balanced, the wheels of industry would revolve steadily, and however much we might commiserate the unfortunate people under such a régime we should have in this parable no luminous exposition of the philosophy of panics.

We shall hardly need to point out that the supposition which we have applied to Mr. Bellamy's parable is a faithful copy of the actual situation in the real world. The capitalists, the landlords, the rich and well-to-do in general *do* consume with great freedom, and pretty steadily. In fact the heartlessness with which the very rich maintain undiminished sacrifices of seed-grain in the temple of Display, even while the acute distress caused among the poor by a crisis is most prevalent, has elicited much harsh comment from their critics,—and very justly. We shall not, after what we have said in the early part of this book, be suspected of unduly favoring the rich. But to give our gilded paupers their due, they do possess the precious virtue which Mr. Bellamy seems inclined to deny them,—they *do* consume. No defect of which they are guilty in this respect can be charged with being the cause of industrial crises.

But granting that all complete production does issue in income, that society as a whole has an income exactly equal to its production as a whole, and hence could if it saw fit consume its whole production,—granting all this let us next ask, Does society spend its full income? Does it precisely consume its total production so that no accumulation of unconsumed goods is left on hand, threatening a plethora like that of the Water Tank with its tendency to block the wheels of industry?

The Parable of the Water Tank will still serve our purpose, but not without a few additions. Simplicity is a virtue in such an illustration so long as all the elements concerned with the problem under examination are included. But as Mr. Bellamy's suppositions make all the money come from the capitalists, they can evidently never get more back than they have paid out as wages, and hence can never increase their stock of money. We shall therefore have to suppose, first, that the capitalists have some other need of spending money than to replenish their water-tank, or that the people have some other source from which to get money than the capitalists; and this being the case the capitalists can evidently sell their surplus water and have instead a surplus amount of money. It is perhaps unnecessary to remark that this is the shape the problem usually takes in the actual world of business.

But in our parable this surplus money is not needed to conduct the business of gathering and storing water. All necessary facilities and capital for this are already engaged in its transaction. What, therefore, can be done with this new surplus?

Within the strict limitations of the parable, apparently nothing. But here again the parable becomes insufficient; we must make an addition to it if we wish it to represent the actual world of business. In practice, business operations and living expenses are not strictly confined to the traditional limits. If the capitalists belonged to the real world they could use their surplus money in a dozen different ways. They could, for instance, construct machinery to do the work of one thousand men in gathering water, and these thousand men, whose work was not needed, they

could dress up as lackeys. Or they could employ five hundred of the more skilful at double wages to build a fine marble fountain, while the remainder were left unemployed. In short, they could—and would—expand either their business operations or their personal expenditures, or both.

But here we may profitably leave the cramping bounds of this parable, apparently constructed not to elucidate but to obscure the truth, and get back to the more perplexing but also more real world. Evidently the problem of the use of surplus money comes up for settlement wherever and whenever anyone consumes in living less than his share of society's production. It is not only the rich and the prosperous who do this; every workman who has a savings-bank account participates in this problem. Society does not by any means consume all its income in the costs of living; large numbers of its members are constantly setting aside large portions of their income with the distinct purpose of *not* consuming it.

But does not this constant and effective effort to save part of one's income interfere with our equation of production and consumption? Does not the money so saved tend to make unnecessary a part of the production of the succeeding year, thus throwing many workers out of employment? How can the forces of production produce to their full capacity if the forces of consumption will not correspondingly consume? And is it not evident that if a man wish to save his money instead of spending it he will not pay it to the producers; and that therefore, lacking demand, the producers will not produce, but will remain idle?

This is undoubtedly in a general way the process of reasoning underlying much of the popular discussion on this subject, and it is not unknown in supposedly scientific economic literature. Looked at in this way the extravagance of the rich is a social benefit, for, being consumption, it tends to make necessary further production; while if the rich be penurious and save their money they are believed to diminish consumption and throw the forces of production out of employment. But all this train of ideas goes wide of the mark. As a matter of fact, if a man wish to save his money, and have its value always at his command, he of necessity straightway *spends* it,—in productive consumption. He hires the forces of production to make for him something, not for his personal use, but for producing more wealth; and as this machine or other article in being worn out produces new value the investment in it is evidently permanently fruitful.

Now this is perfectly true of all money saved for permanent investment,—it is all immediately, or very soon, spent. But the circumstances surrounding the actions of saving and investing are so confusing to those who do not consider carefully their true inwardness that an exactly contrary impression prevails. The spending we have spoken of is usually conducted, not by the owner of the money himself, but by his agents, often at several removes from him. A man who deposits money in bank, or invests it on mortgage security, or buys municipal bonds, thinks of himself as having placed it where it is sacredly protected from the possibility of being spent. But what he has really done is to place it where it is imperative

that it shall be at once used productively. Thus all money that we speak of as being saved or invested really is hurried off to productive employment with all the haste consistent with caution. The rich man spends money on some absurd sacrifice in the temple of Display, and the unthinking applaud his open-handedness, and dilate on the number of poor men to whom he has given employment. If he deposit it in bank, however, it is just as quickly at work employing labor, while in this latter case it probably goes to increasing the permanent wealth of the community instead of being utterly wasted.

But the important point to remember here is that saving money does not destroy our equation of production and consumption. The money we call saved is devoted to consumption just as truly as that spent for living expenses,—it employs just as much labor, and has fully as strong a tendency to keep the wheels of industry in motion. The consumption and the non-consumption of the capitalists and of all other people, their saving and their waste, are alike devoid of significance in the matter of explaining the mal-adjustment of production and consumption which makes crises. We must look further for our explanation.

So far as we can see it is useless to search through the normal and ordinary processes of business for the cause of panics. The ordinary processes of business tend in precisely the opposite direction,—to adjust consumption and production to each other, and make the wheels of industry move smoothly. Complete production confers power of consumption, and if this power of consumption be utilized it makes necessary

further production. It is also evident that power of consumption tends irresistibly to be utilized, either for personal expenditure, or by what we call saving, which is in its essence merely expenditure for wealth-producing or wealth-saving apparatus. If not utilized in one or the other of these ways it is simply wasted, and manifestly no owner of wealth wishes to waste it. But if it be utilized in either of these ways, it seems to complete the round of society's activities, to provide regular movement for the wheels of production, and to leave no room for the mal-adjustment which causes panics.

The explanation, we think, is simply this: Money saved from a man's power of consumption *is* expended as we have explained,—invariably but not regularly. It tends to enter the sphere of what we call the financial interests, which include, broadly speaking, all accumulated capital. All these funds are subjected to influences which tend now to retard and now to accelerate their passage to and their return from the forces of industry. It is these fluctuations, we believe,—and here we speak with great diffidence,—which constitute the largest factor in the causation of panics and lesser similar disturbances of industrial equilibrium.

The financial interests,—the banks, bankers and active capitalists generally,—really discharge two substantially distinct functions in the social economy. One of these is the management of money which has been saved for investment, and committed to their care by its owners. This is a comparatively simple and easy process, the principal requirements being care and discretion. But almost invariably we find in more or less close connection with the foregoing a

business of a substantially different kind,—the receiving of deposits payable instantly upon demand, and the consequent assumption of the task of profitably employing those deposits while yet maintaining a constant readiness to respond to a demand for their return.

This is evidently a trust of a character widely different from that of the first-named function. The task of the banker is to utilize a great collection of fugitive funds as a single permanent fund. The basis of such an attempt is simply a calculation of the probabilities of a complicated mass of human actions. Any one of his depositors may to-morrow withdraw his funds. Of course it follows that any number or all of them may do likewise. But experience shows that while such probabilities are incalculable in the individual cases, a wide average of them is likely to show a remarkable uniformity. It is this general average on which the banker counts, and, in ordinary times, safely counts. He assumes that only a certain reasonable proportion of his depositors will withdraw their funds on a certain day, and that another reasonable proportion of them will deposit new funds; the two processes largely balancing each other. And for normal, quiet, prosperous times this philosophy suffices perfectly.

But the possibility of unquiet times is and must be the daily thought of the banker. His professional equipment for dealing with them is, on the one hand, a vast machinery of commercial nerves for detecting their approach at a distance; and on the other, a number of expedients for providing against their threatened consequences. The financial nerves are of tre-

mendous reach and of almost excessive delicacy. They take cognizance of any movement anywhere in the civilized world that seems likely to affect men's actions in the line of withdrawing or adding to their deposits. Of course the number of causes that *may* have such an influence is legion, and it is a grave question whether the bankers' professional function of apprehension is not often prematurely exercised. But however this may be, when their apprehension is excited they proceed to execute a train of precautionary measures; and the main element in these is a gathering in of the resources at their command to increase their power of meeting depositors' demands. These resources almost always consist largely of the funds saved for investment and which would in quiet times have flowed equably out from the hands of the financial interests to the use of the industrial forces; but which in times of financial disturbance are diverted to the money market by the high prices there offered for the use of funds, or by the direct control over their disposal which is vested in the financial interests.

Here we have manifestly the possible starting-point of a panic and following period of depression,—and this entirely apart from the speculative entanglement of industry. The quiet and regular stream of savings destined for the increase of productive industry, flowing through the hands of the bankers, is mingled with the stormy waters of speculative business, and shares its unrest and uncertainty. Thus when a financial storm comes, the savings of the productive forces are not spent as usual in new productive industries, but are temporarily drawn off to strengthen banking reserves. This destroys for a time our equation of

production and consumption. It may be the financial flurry is short-lived, but it lasts long enough to start the chain of disaster. The workmen who would have received as wages the intercepted portion of these funds are thrown out of employment and their consumption largely ceases, which in turn lays an inhibition upon another branch of productive industry, and so on *ad infinitum*. Once given a starting-point to this self-propagating malady and the problem is, not to see why it continues so persistently, but how in practice it is ever brought to an end.

If we are right in tracing back the causation of panics to the constitutional over-sensitiveness of the financial interests, the problem divides itself into two branches. The first includes the question, Can the world's banking be satisfactorily conducted without subjecting its interests to such immense damage from unreasoning apprehension? This we shall have to pass by as not properly within our present investigation, merely remarking that there seems to be no necessary obstacle except, perhaps, expensiveness, to the adoption of a soundly-based system; and that any ordinary costliness would be extreme cheapness compared with the measureless cost of panics. The second part of the problem includes the relation of productive industry to the financial interests. Is it necessary that the disturbances generated in financial circles shall be allowed to propagate themselves endlessly through industrial circles?

So long as the funds controlled by the financial interests are as intimately connected as they are at present with general business, it is hard to see much chance of relief. The reserve of purchasing power

with which the world's business is conducted is largely in the hands of the financial interests. By these it is to a great extent loaned to the producing forces, and much of it on call and short-time loans that can be at once brought back to the possession of the financial interests if they consider it necessary. But without the use of these funds not only is much new industry made impossible, but enterprises already in existence are halted in their career. Wages cease to be paid to many whose sole purchasing power lies in their wages, and thus their power to consume ceases. No other adequate reserve of consuming power exists to take the place of that withdrawn by the financial interests; and for lack of some such resource to tide them over a period of difficulty the productive interests are forced to interfere with that equilibrium of society's processes in which the welfare of all is so intimately bound up.

It may be urged that such action of the financial interests is simply by way of self-protection, and is made necessary by the hazards and fluctuations of general business. There is, of course, a basis for this, and a very sound basis as things are now arranged. It is impossible to remove risk from business operations. Some men will lose money, and then their creditors will lose by them, and thus the loss may be spread widely. But such losses are a burden that, if averaged, the business world could bear with comparative ease. The real trouble is that in addition to these the troubles of excessive apprehension come in to vex it. All that is necessary to spread business apprehension is a thrill of the world's financial nerves, while the spread of business strength and confidence waits on tangible

material results. We have no means of gathering up a reserve of confidence from the times of prosperity of the business world for the re-enforcing of the seasons of tension. Thus we may say the forces of disaster meet and overcome in detail the forces of business prosperity because the latter are unable to combine.

What is needed, in our view, to remedy this abnormal sensitiveness, is a partial pooling of the issues of the business world. If it could always present its average strength, instead of the strength of its weakest part, to the forces of disaster, the results would be very different. If the whole business world were knit together by some tangible community and communism of interest, it would face misfortune with a common motive. Taking the whole nation together, at any average time, of course most localities would be enjoying normal business conditions. Those where the reverse was true would make the average less favorable, but there is no reason why they should affect the others with nervous apprehension. And apart from the effects of mere apprehension there is no reason why the unfavorable symptoms of a few localities should affect all. On the contrary the tendency would be more and more to look, not at the special symptoms, but at the broad average. Consumption, production and expansion of industry, being based on a wide average of results, would to a great extent go on regularly, undisturbed by local troubles or by the commotions of the financial world.

It will be readily seen that the income from our People's Property would be just such an unifying, equalizing, averaging, strengthening force as we have

shown to be so much needed as a balance-wheel to our unsteady industrial system. Its revenues would come in unfailingly so long as the industrial forces were anywhere operating, regardless of local disturbances and troubles. They would take the average of the whole country; and their absolutely equal division would strengthen the weak points of our forces from the strength of the strong. Thus, whatever happened, all the people would have bread and shelter; the accidents of business would not stop the consumption of the basal necessities. That great body of consumption which consists of the foundation needs of humanity would move at an almost uniform speed; and whatever disturbances there were would spend themselves on the upper ranges of commercial supply,—the comforts and luxuries.

The strength which such a measure would lend to the commercial world in the incipiency of a panic can be easily seen. If there were a feeling of unsettlement abroad and a financial crash were considered imminent, a large range of industry would nevertheless be able to look forward to its coming with almost absolute unconcern. It would be well understood that whatever might happen to a few concerns, the total amount of the Income from the People's Property in Ideas would be so vast as hardly to feel the slight loss. If the blow fell, many workmen would doubtless be thrown out of employment, but they would not be destitute; their consumption would largely continue, and they would have a consciousness of reserve strength in starting to seek new work. The vastness of normal business, the comparative insignificance of the

unhealthy manifestations, would be shown to every citizen by each periodical return of Income. In short, there would be a strong elbow-to-elbow feeling welding society together, and it would take a remarkable group of disasters to stampede them with anything like the wild fright which our world has so often seen exhibited.

The problem of the Unemployed is (so far as they are fit for employment) the problem of little panics. We are in a constant state of panic to a considerable extent; industry can always, by sweeping the financial horizon, see enough trouble ahead to act as a decided deterrent to the risking of capital in new enterprises. Thus the extension of industry is made slow and halting even when the time is ripe; and spirits at all touched with timidity prefer taking their chances of elbowing their way into the already overcrowded centres of industry, to attempting frontier work in the extension of its field. Thus there is always, even in so-called good times, a quite large body of fairly competent workingmen who are out of employment, and whose competition for the places of those who are employed weakens the position of labor generally.

It is probably true that at the expense of wise leadership and rudimentary facilities all of our unemployed, both half-competent and incompetent, could, even in their present condition of training, be made self-supporting in isolated colonies, raising enough agricultural products and carrying on enough simple handicrafts to feed, clothe and shelter themselves. But to relegate even the incompetent to a little In-

ferno of their own as outcasts from the hope of the race would be an injury to all as well as to the direct victims. The strength, hope and respectability of all grades of labor largely depend on the abolition of the submerged classes. The only real remedy for the disastrous exclusion of our very poor from the fruits of the Property in Ideas would be to execute a right-about-face and include them. It would be a colossal impertinence and outrage to set about showing them that, even if they are disinherited, they can still keep soul and body together.

But when we come to considering the lot of labor anywhere near the bottom stratum of our social pyramid, it must be admitted we need the full strength of our new medicine. We need better workmen, moved by strong hope and working with adequate preparation; we need abler leadership, to scorn the thought of joining the crush around the pit, and to rejoice in the task of leading the advance to further command of Nature's powers; and last and least we need a uniform and dependable condition of industry,—a lack of panics. And, as we have explained in our earlier chapters, our redistribution of Income would be pretty certain to give us the two former; and having these we should be able to withstand panics even if we had them, and hence should probably not have any.

For, after all, the way to avoid panics is to have industrial forces not subject to them. Much can be done by wise foresight on the part of a commanding officer to nerve raw recruits for battle and to avoid the first stirrings of unreasoning fear,—but nothing known to warfare could stampede the veteran army

that marched with Sherman to the sea. We can exercise much nice critical ability in locating the exact cause of this or that panic, can hold high argument pro and con, and may be able to draw valuable lessons from our studies; but the only real solution of the problem is to have a society so firmly knit together into fellow-feeling and mutual self-confidence as to be incapable of mob-fright.

## CHAPTER XXI.

### THE CONFLICT OF CAPITAL AND LABOR.

THE labor reformer we have always with us in these days. He never suffers the world to forget him for an instant. His claims are urged with a ceaseless and admirable persistency for which the world is most deeply indebted to him, and which makes him a colossal figure in the forces that make history. Nobody now dares to class him with the dreamers, to whose limbo so many reformers are relegated. His schemes and plans, and counter-schemes and counter-plans thereto, are warmly and even excitedly discussed and considered by large numbers of economists and men of affairs who would rather be dead than dally with the impracticable. In turning to consider the labor movement, therefore, we come at once into the thick of the present battle between the classes and the masses.

The animus of the labor movement, broadly speaking, is the belief and claim that wage-earners are not treated fairly by the employers of labor,—that these latter retain an unfairly large share of the profits of industry for themselves, and unjustly stint the share of the former. Its aim is to remedy this wrong by the power of combination,—the employed seeking to force the employers, by the threat of united cessation of work, to raise their wages or accede to their other demands.

As we have before pointed out, the labor movement

rests on the assumption that production is carried on by two forces, usually referred to as capital and labor, and that the whole product belongs to, and is to be parceled out between, these two. Of course if this be the case an increase in the share of one means the decrease of the share of the other, and vice versa; while an increase in the gross product means an increase of the shares of one or the other, or of both. This view of the case is not peculiar to the labor side of the controversy, however; it is equally accepted by the spokesmen for capital, and seems in fact to be assumed without thought or argument by all who essay to deal with the question.

We can hardly claim that this statement of the case is untrue; in a certain limited sense it is strictly correct. But it is a highly befogging, misleading statement; its acceptance ignores so many of the cardinal facts of the case that it leads into endless mazes of fallacy and confusion. We purpose to put forth as its substitute the conception adopted in an earlier chapter as more nearly expressing the real situation; and to test the soundness of this latter by applying it to some of the crucial problems coming under this division of our inquiry.

The Consumer, then, in our view, is the captain-general of the captains of industry. All industry is to be viewed as conducted for him; the capitalists and managers as well as the wage-earners are but his workmen. He unites in himself the purchasing power of every member of society. Every man who has succeeded in turning his labor or other service of yesterday into terms of money at his command, con-

tributes to the power in the hands of the Consumer. With this promise of money the Consumer incites all the productive forces of society to put forth their utmost efforts; with this money he rewards their endeavors, assuming to himself the fruits thereof. Each cycle ends with the money (or, rather, the purchasing power) in the hands of the Consumer's workmen; but each and all at once turn their shares over to him again, for him to use as the starting-point of a new cycle.

Let no one suppose that this is mere pedantry,—it is the self-evident truth which pedantry has so long obscured. It is, to be sure, almost diametrically opposed to the method of economists in general in their attempts at analyzing the productive processes. This method has uniformly been to reduce transactions in money to transactions in commodities as the best way of disclosing their true inwardness. “As a man seeks money for the purpose of ultimately procuring commodities or services with it,”—so say these economists,—“evidently his real wages or profits or interest,—the real incentives which incite him to effort,—are these desiderata, and not the money which serves as an intermediary. Let us therefore ignore the money element for the present, and we shall thus have the real problem of production revealed to us, stripped of its confusing accessories.”

We maintain, however, that this process of reasoning is not only at variance with common knowledge but radically wrong and confusing. Everybody knows it is not a desire for specific commodities or services that moves men to exert themselves; it is

precisely and exclusively a desire for money,—that is, for universal power over, or command of, particular desiderata. This desire so far transcends in intensity the simple wish for the ownership of a particular commodity that it will hotly inflame the sluggish imagination that has long since grown cold to all earthly indulgences; and its appeal is so much more direct than the other that it will incite to strenuous action the mind whose desires have never even taken definite form. It is, in the race at present, a primary, not a derivative passion. It is of course susceptible of philosophical explanation, but it does not in the least arise from philosophical reflection,—it is instinctive. We shall go hopelessly astray in our analysis of society's activities if we try to comprehend this pure, elemental force, this hunger of the archangel in man, by resolving it into the commodities for which it will be ultimately spent. The goal of man's efforts under such a highly-organized civilization as ours is money,—universal power; and he who would explain them further must synthetize them into an expression of his guiding ideal or philosophy,—not attempt to resolve them into carrots, millinery and theatre-tickets.

But there is another valid reason for making the Consumer the centre of our study of wealth-production. In him we have the quantitative measurement of society's receptive elements, and by bringing him close to society's creative elements we get our best chance to compare the two in detail and with accuracy. For the great internal conflict of society for its prizes is fought out through the medium of these two

great interests, the producers and the consumers. They are like two great corporations contending for the mastery. Of course every man holds at least some stock in each, but this fact should not blind us to the equally important fact that the fighting is very real, and the interests of the two sides are necessarily conflicting. While a man is interested in production as a consumer he forgets that he is also a producer; while acting in the character of producer that position alone engrosses his thoughts. The contest goes on ceaselessly with life-and-death earnestness, and a man's final interest in the result depends on the comparative amount of his interests in each side. But the principal point for us here is to guard against the sophistry of those who wish to demonstrate that there is no conflict,—that because each man is interested on both sides perfect community of interest prevails, and the welfare of one is the welfare of all. Of course we all know that the producers are consumers and the consumers are (largely) producers, but when we ask, How much ? in regard to these truisms, we begin to get results not covered by the stock platitudes,—such results as those we have dealt with in our earlier chapters.

Now however sound may be our contention that production is really managed for the benefit of the Consumer, it is evidently not accepted by the working-men. For them the employer is the captain of industry, and divides the proceeds. They demand from him an increase of their scanty share, to be paid from his own ample rewards. Are they right in looking upon him as the reservoir whence their increased shares must be drawn if at all ?

The problem is a real and crucial one, for this generation has repeatedly seen the demand successful. The organization of labor has in many instances made it so strong that it has been able, by the threat of open hostilities, to extort important concessions of higher wages from its employers. Does the amount of these higher wages come from the employers' pockets?

We think the answer is evident. The employers have not, in general, suffered in the least from the advanced wages. As soon as these wages became a necessary part of the expenses of production they were simply added to the prices of the goods produced, and our friend the Consumer paid them. Evidently here the employers were mere figure-heads for the Consumer; the cost of the victory which the workman apparently gained over the employers fell ultimately upon him alone. The conflict was only nominally a feud between capital and labor.

To take the opposite aspect of the case let us look at the falling wages. In several of the large manufacturing interests wages have decidedly fallen in the last few years,—the organization of labor was unequal to the task of maintaining the existing rates, and the capitalists were able to make important economies in the labor cost of production. Have the gains from these economies generally gone into the employers' pockets?

We think no one will venture to maintain the affirmative. As soon as it is demonstrated that, in such an industry, wages *can* be reduced, the orders of the Consumer to reduce them are imperative. The higher wages are no longer a necessary part of the

expenses of production, and our Consumer pays for nothing else. If any capitalist so far transcend his grant of authority from the Consumer as to pay more than *necessary* expenses, the excess so paid comes out of his own pocket. Thus the Consumer has pocketed the whole of the sum squeezed from the wages of labor. The conflict between capital and labor was mythical: the Consumer, ambushed behind the capitalist, was labor's real enemy. And of course labor in this case may derive whatever consolation it can from the fact that it is a part of the Consumer.

We think a following out of this line of investigation will bring the same result everywhere. It is really a matter of profound indifference to employers what the necessary wages of labor are,—high or low, they ultimately fall on the Consumer. The employer's only concern is to be sure that they are necessary wages before he pays them; and to this end he, of course, puts on a bold front when organized labor demands higher pay, for if he be faint-hearted and make concessions at the first onset, while his rivals hold their ground, the Consumer will surcharge him with the unnecessary expenditure. But if the forces of organized labor develop real, sustained strength, and carry their position all along the line, this furnishes the employer with the voucher he needs of the necessity of his expenditure. Upon this voucher he can collect from the Consumer the extra sum, and pay it over as wages to the workingmen; and thenceforth for a time the relations of capital and labor are as affectionate as those of opposing counsel after court adjourns.

Thus when we come to look into the real position of

the capitalist in these encounters we always find it to be merely that of business manager for the Consumer. He is, to be sure, conducting business in his own name and with all the trappings of independence. But we find his backer assuming his necessary losses and appropriating his possible profits. We are therefore safe in concluding that he is a figure-head,—that the Consumer is his responsible principal, and the real enemy whom the hosts of labor are so vigorously assailing.

But we shall doubtless have one obvious weakness of our position in the matter pointed out to us. The tremendous amount of money which the capitalist oftentimes retains for himself out of his business operations seems hardly to agree with our agency theory. He could very well, in some cases, pay higher wages than he does, and yet have a living income; but organized labor has made repeated attempts to possess itself of this gold, and failed. Likewise he could make concessions to the Consumer, and still have bread to eat; but the Consumer cannot extort them. If the capitalist be merely the agent for the Consumer, how can he possibly retain these vast sums over and above the necessary wages of labor and expenses of the business?

There is but one answer possible to this question upon our supposition,—the capitalist's share *is* part of the necessary expenses of business, or the Consumer would not pay it. As we are considering the capitalist as the agent or employee of the Consumer we may consider this payment as the capitalist's wages; and so it really is, in any large consideration of the subject. Viewed in this way labor and capital are employed by the Consumer and are by him paid wages,—the *neces-*

*sary* wages: those the Consumer finds it impossible to avoid paying for the work he wishes done. But viewed in this way we must consider the wages as paid, not for labor in any narrow sense, but for any one or all of the complex and complicated services of the productive forces,—labor, wages of superintendence and management, payment for risk assumed, interest on capital, depreciation of machinery, rent. And the criterion by which the Consumer rates any part of these services in wages is a quality which necessarily belongs in varying intensity to every individual, part, and minor aggregate of the productive forces as their essential characteristic,—namely, *efficiency*.

But to say without further qualification that the Consumer pays wages according to the efficiency of the labor he employs would evidently leave large exceptions to be explained. Those familiar with the processes of production in their business aspect know that the exactly opposite statement would be as near the truth. If a manufacturing industry by reason of some new discovery become twice as efficient as it was previously,—if it turn out twice the finished product with the same amount of labor and general expense,—does the Consumer double its money reward? The query sounds like bitter irony: he does nothing of the kind. In fact, the producers are fortunate if he pay them as much for the doubled production as for the earlier output. Nevertheless, the general statement that the Consumer pays the productive forces according to their efficiency is perfectly sound, and the necessary qualifications are embodied in the form in which we state it as a general law of the Remuneration of Personal Services.

Our law of the Remuneration of Personal Services is none other than what is known as Ricardo's law of Rent. The latter is in fact an universal law applying to the remuneration of all manner of monopoly, and as land is a monopoly, the law applies perfectly to the remuneration obtainable by its owners. But a man's personal services are just as truly a monopoly in his ownership as is his land, and this same law, with the necessary changes in its terms, applies just as truly to the remuneration he can obtain for them.

The law of Rent assumes that land of various grades of fertility is necessarily cultivated to produce the food needed by society. Of course the least fertile land must have *some* productivity in excess of the expense of cultivation, or it would not be cultivated, but it can only be the least appreciable amount of such excess, or yet poorer land would be cultivated. But evidently this poorest cultivated land can pay no rent, for any deduction from its product for this purpose would make its cultivation issue in a loss to the cultivator. On the other hand, land yielding twice as much for the same expense of cultivation would bear a rent equal to one-half of its gross product, for any cultivator could as well afford to pay such a rent for the better land, as to cultivate the poorer land free of rent. The rent of still better land, or that of an intermediate grade, would of course be fixed on the same principle. Here we reach the simplest statement of the law of Rent; —that it is in any given case determined by the amount of the net productivity of the land in question, or the excess of its fertility over that of the poor-

est land in use,—the land which yields the bare expenses of cultivation but no rent.

The application of this principle to our problem we call the law of the Remuneration of Personal Services. It assumes that services of various grades of efficiency are necessarily employed in satisfying the demands of society. The least efficient social servant must of course be paid something, or he would not work, but it need only be such an amount as will weigh effectively in the balance of his desires as against doing nothing. But all grades of service above the bottom stratum can effectively demand a remuneration as much in excess of this lower limit as their efficiency exceeds in money value the minimum efficiency of the necessarily-employed labor, for the Consumer can as well afford to pay the higher wages for the greater efficiency as to pay the minimum wages for the minimum efficiency. Thus we have the simplest statement of our law of the Remuneration of Personal Services:—that the personal remuneration in any given case exceeds the minimum personal remuneration by an amount equal to the personal excess of efficiency over the efficiency of the lowest grade that, for the satisfaction of his demands, the Consumer finds it necessary to employ.

But these twin statements as yet have not proceeded beyond the statical aspect of the problem;—they assume a stationary condition of society. To proceed to the dynamic statement of the law of Rent we must consider the effect of changes in the amount of society's demand for food, or in the fertility of the soils from which it must be satisfied. If society's demand for food be increased or the general fertility of the

soils in question be diminished it becomes necessary, in order to fully satisfy this demand, to include in the food-producing area a lower grade of soils than had previously been cultivated. But to procure their cultivation it will be necessary to make what was before true of the least fertile soils then cultivated, now true of the still less fertile soils,—their produce must pay for their cultivation, and something over. This can only be done by raising the general prices of food, which therefore must be a necessary consequence of the inclusion for cultivation of a new range of inferior soils, or of “lowering the margin of cultivation,” as it is called in economic literature. This, of course, will raise all the rents; for though land of a certain fertility will not be, by the process, changed in its productive power, its excess of fertility over that of the poorest land in use will be increased; and it is this excess which is the measure of rent.

The contrary process, however,—“raising the margin of cultivation,”—is the one which chiefly interests us, because it is very plentifully exemplified in actual society, while the hunt for a genuine present-day instance of the other would probably be a long one. If society’s demand for food be decreased, or the general fertility of the soils from which it must be satisfied be increased, or new soils of superior fertility be discovered, it becomes unnecessary, for the satisfaction of these demands, to retain in the food-producing area the full amount of soil that had previously been cultivated. The least fertile lands accordingly cease to be cultivated, and the lower margin of fertility fixes itself at land of somewhat better grade. This land now in turn yields no rent, and the sole cost of its pro-

duct to society is the expense of cultivation. This expense must, of course, be less than in the case of the less fertile abandoned lands, hence the general prices of food must fall. And concurrently all rents must fall; for land of a given fertility is nearer the margin of cultivation than before.

Turning with this same formula to the dynamic problems of the law of the Remuneration of Personal Services, we find the same principles applicable. If society's demand for personal services be increased, or the general efficiency of the productive forces be diminished, the margin of productivity (as we may by analogy call it) will be lowered, the minimum of efficiency necessary to secure employment will likewise fall, and the productive processes will in general become less effective and more costly. Concurrently the more efficient personal services will secure higher remuneration, for their excess of efficiency over the services of lowest grade will be increased by the falling of the grade of the latter. On the other hand if society's demand for services be decreased, or the general efficiency of the productive forces be increased, the margin of productivity will be raised, and with it the standard of efficiency necessary to secure employment; while the productive processes will in general become more effective and less costly, and the remuneration of the more efficient personal services will be diminished.

This theory of monopoly remuneration we believe to be as sound and luminous in our new application of it to payment for personal services as in its classical application to the rent of land; but it is also as much,

or perhaps more, open to misunderstanding. It is a simple theory, and the fields of its application are crowded with the most complex and perplexing phenomena. It is therefore not to be marveled at that it has been doubted, contradicted and attacked, not on account of any fundamental error it contains, but because the intricacies to which it was applied exceeded or fell short of its postulates. But those who have first thoroughly comprehended its limitations we think can hardly fail to do full justice to the clarifying insight which it lends to the seeker after a clue in these labyrinths. It is this insight that we covet in applying it to our present problem; and it is not with the purpose of torturing the facts, but rather to lay bare the essential elements which these, by their very multiplicity, tend to confuse, that we have made and now make certain suppositions to fit our theory to the explanation of the whole range of productive activities.

In the first place, then, we have been speaking of personal services, and have outlined the theory which we propose to apply to their consideration. The term "personal services" has, however, a rather narrow technical meaning which is not the one we seek to give it:—it is used restrictively to denote the services rendered in strictly personal relations,—*e.g.*, those of a physician, a lawyer, a valet, a nurse. But the problem we are here dealing with includes *all* services of economic value, and the reason we seek to make them personal services is because it is only as pertaining to some individual that they take on the monopoly character needed to fit our theory. This involves no violent supposition, however. Every individual *has* a monopoly, not only in his bare actions, but in the

capital and other economic incidents which he joins to them to make his economic or productive individuality. Taken in this sense we have the total production of society grouped around a set of personal monopolies, and the consideration of the totality of these units of production will give us a view of all the transactions which our Consumer initiates.

We must also carry a little farther the extension which, in a previous chapter, we have given to the meaning of the term "production." We there made it include all the distributive as well as the primary productive processes, ending only, in fact, where consumption began. We now further call attention to the essence of the meaning of the word as we are here employing it. Production is simply meeting the wishes of the Consumer. Anything he is willing to give money for, is production, in this sense. Of course with production so defined "efficiency" takes on some startling meanings. The stately bearing which procures an easy and well-paid place for some congenital incompetent, is a humble instance of such efficiency. A much higher grade of the same commodity is exemplified by the soubrette who "draws" by reason of her frank indelicacy. The extreme instance of such efficiency is perhaps to be found in some of the leaders of finance who manage to get well paid for working irreparable devastation. We are not properly to be blamed, however, for the unsavory character of these instances of efficiency. They exist: the only way we can change them is to change the character of the Consumer, which is precisely the ultimate purpose of this book. But the Consumer is not made up of the demands of people who are "mostly fools," despite the

dictum of high authority, and the vast body of production consists in meeting the solid and useful needs of sober people.

Looking now at society's productive activities in the light of this conception, the whole resolves itself into an ascending scale of individual efficiency in apprehending and satisfying the real and imaginary wants of the Consumer. The minimum of efficiency necessary to secure employment is, we must admit, pretty low,—but still too high for some millions of our fellows to reach, even with their utmost exertions. But every step in the scale of ability above this bottom level means an increment of wages, and every increment is absolutely necessary if the demands of the Consumer are to be supplied. Protest as he may the Consumer is forced to pay it; he has no effective alternative. He may indeed have recourse to lower grades of labor, but this pays him no better than the higher grades at higher wages. So after trying all possible means of escape from the tyranny of efficiency he finally gives in, and pays wages ranging up to tremendous sums for the upper grades of efficiency, convinced much against his inclination that each upward step is implacably necessary.

The supposedly warring clans of capital and labor or of brain-work and handiwork are mingled in hopeless confusion in the sequence of this ascending scale. We usually, to be sure, find the top of the scale occupied by the employer and capitalist, while the bottom is principally taken up by the manual laborers, but many exceptions are to be noted. Now and again some representative of abstruse and difficult brain-

work is found near the bottom, while some possessor of purely manual skill forces his way far up the scale. In the middle elevations especially all sorts and descriptions of efficiency are found. Even near the top the capitalist employers are jostled by possessors of talents who receive no aid from wealth. For wealth merely enables a man to enter the competition for the leadership of production; it does not assure him any efficiency therein. The proving to which competition subjects aspirants for economic leadership is no respecter of persons or of wealth; it is fully as severe and searching as the testing of any humbler functions, and unsuccessful aspirants for its honors often fall as low in the scale of efficiency as the humblest laborer.

The efficiency of the employer, however, though just as real as the efficiency of the plainest manual laborer, just as rigidly measured and just as difficult of attainment, is yet different from such simpler efficiencies in one important respect. It is purely a derivative efficiency,—a further result superinduced upon an independent efficiency. Taking existing labor at its own level of efficiency, fixed by its separate process of testing, the employer so orders its processes that its gross efficiency is greater than the sum of the efficiencies of its parts. The excess is the measure of the employer's efficiency. It is often, to be sure, a minus quantity; but on the other hand it is often very great, and apparently disproportionate to the employer's effort, and the labor with whose aid it was produced is often inclined to claim a share in it. But such a claim is foredoomed to futility; the employed efficiency has had no part in producing this excess, and can never obtain it except as a gift.

There is another form of derivative efficiency intimately associated with this problem,—the efficiency derived from the certain economic incidents of production, all of which are obtainable with capital. The possession of capital, therefore, greatly increases the efficiency of competently-conducted industrial operations. In fact this is putting it very mildly; it is impossible to conduct extensive industrial operations in these days without a large use of capital. But capital by itself is absolutely helpless, inert; it is only as an adjunct to personal efficiency that it appears in our scale. On the other hand we cannot credit to the individual efficiency of the directing mind the tremendous increase in productiveness wrought by properly-directed capital, but only the excess of such productiveness over the results of the minimum efficiency necessarily employed in the management of capital. We cannot too constantly keep in mind the fact that the Consumer pays, not for gross efficiency, but for its excess over the minimum grade of efficiency which he is compelled to employ.

Our suppositions have now given us a society completely individualized in its productive activities, and completely unified in its interests as Consumer. Although in doing so we have found ourselves led far from the current conceptions, we have certainly done no violence to the actual facts. As consumers all men's interests are in common and substantially alike; as producers they are strictly individual, infinitely various in degree, and often conflicting. Applying these conceptions to our theory, let us see if we can throw any light on the time-honored problems centering around the alleged Conflict of Capital and Labor.

The typical problems of our modern industrial world are those involved in an increase of the general efficiency of the productive forces. Such an increase has come to be almost regular and constant in our day, and its important steps come with startling frequency. New processes and inventions for increasing this efficiency are constantly being discovered and perfected, and they keep the business world in a constant state of turmoil trying to effect the readjustments of equilibrium made necessary by their operation. It is highly important to understand, if possible, this process. What is its significance?

Evidently on our theory the primary results are very plain. In the first place the "margin of productivity" will be raised, and with it the standard of efficiency necessary to secure employment. This means that old processes, old capital and old machinery that formerly filled a necessary place in production, with the labor that operated them, are now superseded and made useless. The Consumer has had more efficient and cheaper processes offered to him, and he will no longer pay for the more costly and less efficient. He pays only necessary expenses. Even for the new and wonderful methods he pays less than he once paid for the old and discarded ones, because, the lower limit of efficiency having been raised, the excess of the new over the bottom stratum is less than the excess of the old over its bottom stratum.

Here we have the explanation in terms of our theory of one of the most familiar yet most mysterious of our modern social phenomena,—the impoverishing effect of increasing power of wealth-production. From this we can see why every great advance in man's

power over Nature, which pours wealth with lavish profusion into the lap of the Consumer, only tends to pinch more closely the share of the productive forces. For every advance in the general efficiency of the Consumer's workmen, by diminishing the resistance which Nature offers to the production of wealth, renders them less necessary to him. As the higher grades of productive power are added by the progress of invention, all the lower grades fall below the necessary minimum of efficiency, and are dropped; while the new processes, being close together in rate of efficiency, and the highest being comparatively little in excess of the lowest, the margin of excess, which fixes personal remuneration, is small.\*

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\* It may here be objected that no tendency toward the reduction of personal remuneration in the higher levels is actually exhibited,—that men make, under free competition, more money now than ever before. This is true; but it is a significant fact that the only talents and powers that enable their possessors to do this are those which are in a measure beyond calculation and foresight, and which therefore possess an element of monopoly. The talents of the inventor and the business pioneer are pre-eminently of this order; and so in a lesser degree are those of the men who possess rare technical skill demanded by some developing industry. But any calling which can be reduced to rules and specifications; any capabilities which can be produced with dependable regularity by technical education; any training for which college courses can be provided, and a regular supply of candidates developed,—any or all of these classes of efficiency, no matter how stringent the demand they make on the human faculties, are assuredly subject to the law of diminishing remuneration accompanying an increasing general average of efficiency. We might instance, as illustrating this, the development of the electrical industry in the past generation, with its high initial rewards for competent talent and its ultimate reduction of these to the common level; or the overcrowded condition of the professions generally; or the plethora of highly-educated men in Germany, and now in a lesser degree everywhere. Mere unmonopolized competency, talent, power, are becoming increasingly helpless under the demands of our rising scale of

We have but to turn to any daily paper to see this process described with much force and feeling in the language of ordinary business. "The volume of business offering is satisfactory, but rates are unremunerative;" or "an era of unprecedented pressure of competition is upon us, and only the very strongest can live in it;" or "a whole department of business is being strangled to death by the relentless cutting down of margins, and the pressure of manufacturers to reach consumers with the intervention of the fewest possible middlemen." All these movements are those of increasing efficiency, of eliminating the waste from the distributive processes, of getting the finished product to the consumer,—which is necessary to complete production,—with the greatest efficiency and cheapness,—in short, of increasing power of wealth-production. But on that very account they are, and are rightly apprehended as being, a menace to the welfare of the producers. People fall into the way of talking as if the coming era of unexampled power of wealth-production were to be dreaded as a fierce storm, which must inevitably beat to destruction every producer exposed to the stress of free competition,—from which the only possible refuge must be in some harbor of monopoly.

And they are not far wrong. Every general efficiency which the advance of science and invention

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efficiency. All through the business and professional world it is becoming recognized that "the regular run of business" is subject to a constantly-diminishing rate of remuneration;—that the most available resource to counteract this tendency is to develop specialties, novelties, the latest fashions, exclusive designs,—anything with an element of monopoly, anything to get away from this relentless constrictive tendency.

puts into the hand of industry is really a free gift to the Consumer. The immaterial wealth of the People's Property in Ideas works for him for nothing, and at every step it displaces the labor of humbler efficiencies which has been drawing its livelihood from its exertions. The Consumer is approaching nearer and nearer to the golden age when the forces of Nature, harnessed to his machines, shall do his bidding almost without the aid of puny labor. When that time comes the producer will have no services to offer which will be necessary to the Consumer, and ceasing to be a producer he will cease to share in the triumphs of the Consumer.

But this, of course, is a fanciful sketch. We have but for a moment followed out the evident tendency of our present system to its ideal conclusion, to see whither it tended, without taking any account of the countervailing forces. The tendency is very real and threatening, and actual progress towards it goes on with tremendous strides, but we never reach the final catastrophe, and in the nature of things we never can. Let us look for a moment at the forces of opposite tendency.

We have seen that if society's demand for personal services be increased, all the effects above described will be reversed:—the margin of productivity will be lowered, the minimum of efficiency necessary to secure employment will fall with it, while the necessary range of efficiency in personal services will be increased, and with it the remuneration of the more efficient services. And it is certainly true that, following any increase in the general efficiency of the productive processes

so characteristic of modern industry, we might reasonably expect an increased demand for personal services. For man's wants are inexhaustible. The lessening of the cost of the articles of present use should cause an effective demand to spring up for other services not previously supplied, while at the same time the freeing of labor from one kind of tasks should enable it to turn profitably to another. Normally this process should balance the other, and completely preserve the equilibrium. Actually it does certainly *tend* to counteract the other, but apparently its action is less prompt and ample.

For it is noticeable that, (entirely apart from the difficulties introduced by panics or crises, which we have elsewhere considered), the power to expand consumption, resulting from economy of production, belongs principally to the rich, or those unconnected with the productive forces; while the manifest *need* to expand consumption belongs principally to the poor, or those connected with the productive forces. But while the rich, being near the point of apparent satiety, have no manifest and pressing new wants at hand, and have, as it were, to cultivate them, the poor, whose wants could at once expand to fill the gap, have had their purchasing power lowered by being dropped in large numbers from the productive forces. And still further, it is on these crippled poor that the burden rests of fitting themselves for new tasks at a time when even their bread is cut off. Small wonder that this compensating process proceeds slowly, and that the reverse tendency appears to be always the triumphant one.

Thus we may say that our modern industrial pro-

gress takes the shape of a constant struggle on the part of the Consumer to shake off the swarming forces of industry that are trying to make a living out of his needs,—a struggle in which he is meeting with a degree of success that must be highly gratifying to him. The function of the shaken-off individuals is of course to “think up” some new article of consumption to tempt the Consumer’s appetite, and thus to draw from him by new inducements the funds he saved by dispensing with their former services. It is a hard task; but with heart-breaking anxiety, much dire want and more or less starvation it is largely accomplished; and in the end most of them regain some sort of position in the producing ranks, and are thus enabled once more to taste a share of the joy belonging to the ever-increasing success of the Consumer. But during the time a member of the productive forces is unable to make himself necessary to the Consumer he has no bond whatever to connect him with the pride and joy and triumph of the race. Progress goes ruthlessly on without him and over his head, and too often tramples the life out of his prostrate form.

There yet remains one necessary division of our subject which we have not considered, and which offers some difficulty from our standpoint. This relates to the bringing of the monopolized and associated efficiencies to the tests of our measuring scale. And it is exactly these efficiencies that enter most largely into the problems of the supposed conflict of capital and labor.

Our suppositions have heretofore been of purely individual efficiencies competing for places in our scale.

But often men refuse to be treated individually; they combine their several efficiencies into a composite industrial unit, more or less concealing their variations in efficiency, and will only be treated with as such an unit. Of course under such circumstances they must be considered and rated as an unit, and their individual efficiencies more or less averaged and coalesced into a sort of corporate rating of efficiency. They become artificial instead of natural persons. The artificial persons are of much greater magnitude than the natural persons, and the steps in the scale of efficiency are thus made fewer, and the distances greater. The ultimate tendency of these movements is to weld whole departments of production into artificial units so far as the tests of our scale of efficiency are concerned, with entire obliteration of any natural minimum of efficiency. The trades-unions are, of course, the typical example of this sort of combination among "labor," and trusts and business combinations among "capital."

Such combination has a manifest tendency to become a form of monopoly and thus to strengthen the position of the productive forces in their dealings with the Consumer. For evidently if the whole range of the productive forces could be unified into a monopoly as the Consumer is naturally unified, each of the two aspects of society would be equally necessary to the other, and they would deal on an equal basis. Even the unification of the majority of one department of business or labor greatly strengthens its position in such dealings; for since part of the combination's productive force is necessary to the Consumer, and it must be treated as an unit, of course all of its force

must be treated as necessary, and hence the minimum of efficiency may in this manner be considerably lowered.

The usual weakness of such combinations, however, is their comparative smallness. They can rarely include enough of the efficiency in any particular line to make their position as necessary to the Consumer impregnable for any long time, and if they do not do this the effect of their combining is very small or very short-lived. They have, however, achieved the desired strength of organization often enough to demonstrate beyond cavil that the Consumer is abjectly at the mercy of any organized efficiency whose services he *must* have, and that hardly any bounds can be assigned to the squeezing to which that ordinarily triumphant individual can thus be subjected. The tremendous fringe of unemployed efficiency existing on the borders of the productive forces, however, is a constant menace to the stability of such combinations, for if he be squeezed too hard the Consumer can usually eke out an existence, with its help, for a time long enough to dissolve the combination to its original elements.

But evidently with all the productive forces in one branch organized into any strong combination or virtual monopoly, the Consumer's favorite device for cheapening production ceases to be applicable. He can no longer pay by the height of efficiency above a minimum, for this landmark has been abolished. The only principle now left upon which to deal with him is the time-honored one of charging what the traffic will bear. And even in this era of his triumph the Consumer has repeatedly been thus humiliated.

Another efficiency that we may consider as in a sense “associated,” is capital. We have already considered its remuneration as an adjunct of individual efficiency, in which aspect only it properly belongs on our scale. But as a matter of fact the remuneration of capital as such,—what we call interest,—is reckoned entirely apart from any individual element; it is a payment for the transferable efficiency. But capital as transferable efficiency is certainly not to be considered as individualized, for it cannot possibly be individual; one lot of capital is the exact counterpart of another lot of the same size, and any difference in their efficiency must be credited to the individual efficiency managing them. There can therefore be no gradations in its efficiency, and, given a free market, it must all be remunerated alike. Yet nothing approaching an organization of it into an unified interest, so as to be enabled to fix a monopoly price, has ever been even attempted, or, apparently, ever could be executed. What, then, determines its remuneration?

We think the process amounts to this: Capital fixes its own remuneration at a point which leaves none of it unemployed. It simply is wasted if not used; so the owners of it consider this entirely out of the question, and lower the price for it (i.e. the interest) until it finds a borrower. But if this be an unusually low rate, its offering makes it necessary that all capital shall match the rate, for the new increment of capital is practically offered to all borrowers, and thus interest is if necessary lowered all around to enable all capital to be used. On the other hand, if at this new minimum rate capital cease to be saved, or if more borrowers appear than can be accommodated, the rate tends

to rise again until it reaches a point of equilibrium. This rate of interest may be considered the analogue of the necessary wage for labor of the minimum efficiency, for it is that remuneration which is just necessary to bring capital into the market to be used; yet it is also the maximum price which the Consumer has to pay for it. Evidently capital is more at the mercy of the Consumer, and is purchased at a lower proportionate rate, than any other efficiency for which he pays.

Here we have indeed reached a conclusion which will make us feel lonely. The various inquirers into the causes of the World's troubles are not a harmonious body,—quite the reverse;—but on one point they could probably unite,—they could unanimously support a motion that capital is largely responsible for these troubles. Every body of reformers unconnected with the House of Have has a program in which capital figures as the arch-enemy; while the attorneys of the Millionaires have almost pleaded guilty by their faint-heartedness in its defense,—which usually consists of the question, What are you going to do about it? Then the attacking party has drawn into its service, direct or indirect, an unusual amount of theoretical ability. Probably no other branch of economics has been befogged with such thorough scholarship, painstaking accuracy and critical acumen; and that the haze is now in the atmosphere is evidenced by the current popular discussion of the problem. We are told that the use of capital has no tendency to increase “profits,” and that interest is therefore a robbery of industry; or that “physical productivity” is promoted by the use of capital, but not “value productivity.” The same general idea is expressed by Henry George

when he says that “if the power which exists in tools to increase the productiveness of labor were the cause of interest, then the rate of interest would increase with the march of invention.”

All these contentions take on an entirely new aspect when considered in the light of our theory. For the first one we must admit that our scale has no place: “profits” in our view are simply wages of the employer’s efficiency, or compensation for risk, or both. It must also be admitted that the borrowing of capital has no tendency in itself to command such remuneration, which, apart from the element of chance, can only arise from efficiency. Plainly the advice to a man who, without the possession of such efficiency, proposes to borrow and employ capital, is, Don’t.

To turn to the second contention: “value productivity,” translated into our terminology, is simply, “necessary expenses of production.” “Value,” to the Consumer, is what he is forced to pay for the production of an article:—the measure, we may say, of Nature’s resistance to its production. This measure is taken, however, not in any simple function of the resistancee, but in the necessary remuneration of the efficiencies requisite to overcome it. Of course, an improved process of production, if not in itself a monopoly, necessarily means a diminution in the efficiency measure of this resistance to be overcome, and consequently a diminution in this value; and the use of capital, in effecting such a diminution, increases “physical productivity” and diminishes “value productivity” as the two aspects of one and the same process. Thus we cannot truthfully claim that the use of capital increases “value productivity;” on the con-

trary it diminishes it. But it is nevertheless true that such diminished "value productivity," or diminished necessary cost to the Consumer, includes, as a necessary part, the remuneration of capital as well as that of bare personal efficiency; and that therefore the payment of interest by the productive forces is justified by its necessary inclusion in the bill of costs which finally rests against the Consumer.

The third contention quoted above as formulated by Henry George (though he did not endorse the popular conclusion drawn from it) undoubtedly has wide popular acceptance. If we translate it into our terms, it denies that interest is a remuneration for efficiency, because the remuneration does not increase with the efficiency. But Henry George accepted Ricardo's law of Rent in its entirety, and hence would have been quick to see the fallacy involved in saying that rent cannot be a payment for the fertility (or utility) of land because it does not increase with increase in the fertility:—a strictly parallel statement. The acceptance of the law of Rent is really all that is needed to commit a man to the support of the law of Remuneration for Personal Services as we have stated it, with all its extensions to the monopolized and associated services. Those who have accepted and digested the law of Rent have had one true glimpse of the essential nature of the Consumer; if they think his qualities are different in the other departments of economies they do not yet know the gentleman. The simple truth of the matter, therefore, is, that the Consumer pays for the use of capital just as he pays for the rent of land and just as he pays for all other efficiencies;—the least possible amount.

But the only reason he pays for it at all is because it possesses indispensable efficiency.

Our list of objections against capital, therefore, simmers down into a charge, not that it is inefficient, but that it is too efficient, and that its efficiency, when viewed as diminished “value productivity,” can be easily understood as a blow to the productive forces. But the objection that it is not efficient for the producers,—that its use does not assist them to amass wealth, that the reward of its efficiency somehow slips through their fingers to the Consumer,—this is all too true; it is a typical truth of terrible portent. For it simply means that throughout the breadth of society the same truth applies; that the superhuman efforts of the productive forces to bring new efficiencies to their grim master, the Consumer, are but the more rapidly reducing them to slavery; that the smile he deigns to bestow on them in return for the gift of a new power is but a temporary favor, while the new power they have brought to him works forever against their interests. Those who dream of a future when a high general productive efficiency shall bring about a high general scale of remuneration cannot too soon awake to the fact that the whole tremendous power of civilization is now carrying us with frightful speed in the exactly opposite direction. A few more decades of letting our tremendous productive energy work directly for the very rich, and directly against the very poor, will leave the idea of society’s common welfare a bitter mockery or a forgotten dream.

But society’s grievances against capital as capital are purely imaginary. The results popularly attributed to it as grievances,—its apparently undue in-

fluence and excessive earning power in the field of production,—are really chargeable to exceptional ability, or monopoly, or unscrupulousness. The only real significance of capital to the productive forces is its tremendous efficiency in wealth-production; and in this aspect, like every other power of civilization, its net result is to aggrandize the Consumer at the expense of the producers.

We think our review of the field of production has shown that there is no real conflict between capital and labor or between employers and employed,—that the real conflict is between the Consumer and the producing forces, and that the supposed conflict of which we hear so much is simply a skirmish in the interest of the Consumer to discover the real strength of the elements of production. A very cursory glance will now enable us to judge of the significance of the reform movements now operating and advocated in this field.

Combination, we have seen, whether of the employers or the employed, not only has immense possibilities, but has achieved great results in the way of increasing the remuneration of the industrial forces. But in practice it has never been able to achieve an union of all the forces in any one branch of production, and therefore its successes have been partial and often only temporary; for of course those elements outside of its circle have been, because of their threatened or actual competition, a source of weakness to its position. Under such circumstances even the measure of success obtained has been largely at the expense of the outsiders. The labor unions have had no tendency to raise wages in general but only of

select labor. For anyone who wishes to improve the position, not simply of selected labor but of all labor, the labor unions have no noteworthy promise. The same limitation applies to business combinations in the nature of "trusts,"—they simply organize for the advantage of the stronger and to the detriment of the weaker firms; and, besides, their methods are obnoxious to any reasonably well-developed code of business morals.

The method of voluntary combination, therefore, offers practically no hope of achieving an universal improvement of the position of the industrial forces. But we can gather from a survey of this field these two important facts: (1) that under certain circumstances combination can raise remuneration largely and extensively; and (2) that success achieved by either capital or labor in an endeavor to accomplish this is not at the expense of its nominal adversary, but of the Consumer only.

Besides the method of combination, which is decidedly the ruling method in the actual treatment of these problems, there is a very different line of action advocated by numerous reformers, which we may call, by way of distinction, the method of conciliation; and which includes usually (1) some plan of enabling employers and employed to reach a mutual understanding without taking hostile positions, such as the arbitration of labor differences, or profit-sharing; and (2) an advocacy of strictly personal methods of achieving success, such as the exercise of superior intelligence and diligence, and the practice of economy in living expenses.

We may dismiss all these movements as being, from our point of view, the propaganda of the Consumer. They are advanced applications of his two favorite rules, "Rise above your fellows," and "The devil take the hindmost." They are all maxims for attaining the greatest possible efficiency, and considered as such are often excellent. But to have all the productive forces attain the greatest possible efficiency is the Consumer's most fervent hope and the theme of his uniform advice to individual producers. His advice to each individual is, in fact, excellent, so long as the individual who acts on it is exceptional. The man who works hard and lives on sixteen cents a day; who agrees with his employers (and they with him) quickly; and who exercises upon his task of manual labor the foresight and vigor of a captain of industry,—such a man will rise and prosper. But if all his fellow-workmen do the same, not only will he not rise above his fellows, but they will all sink together; for the general efficiency of the industry being increased, the necessary minimum of efficiency will be raised, many of the workmen will be dropped from the industrial forces, and the personal remuneration of all grades will be lowered. Such results are as certain as gravity to follow any general improvement in the efficiency of the productive forces so long as the Inferno, with its universal threat to labor of the minimum grade, is suffered to exist.

The advice of the advocates of these methods of conciliation and personal diligence is doubtless conceived in uprightness and offered in all brotherly kindness, but it is founded on the assumption that the Inferno must endure forever. They see, or think

they see, that the devil must get many of the hindmost, and they thereupon advise, Don't be among the hindmost. Their advice has received much honor as being excellent in this day and generation; and so, no doubt, it is,—from a certain standpoint. But to those who accept the philosophy, now doubtless somewhat old-fashioned, that not only the ninety and nine but the one can be, *must* be saved, they have no help to offer.

The effect of the remedy we are advocating upon these problems must have been so plain to the reader throughout this discussion that it seems unnecessary to enlarge upon it. Since practically all ideas of economic value would belong to the People's Property, all progress would be practically a monopoly held in trust for the benefit of the whole people, and the Consumer in dealing with a monopoly could, and would be made to pay its full value. All business would be practically joined in an universal trust to maintain prices. Progress would manifest itself not in falling prices but in constantly-increasing money rewards to the producing forces. There would, therefore, practically be no increase in productive power so far as the benefit to the Consumer was concerned. For every such increase he would have to pay full rate, and therefore the cost of satisfying his needs would not diminish by reason of the efficiency of the productive forces. The profits arising from his payments to this trust fund would of course be equally distributed to every person in this nation, and thus everyone, regardless of his position on the productive forces, would have some power of consumption. Un-

der these circumstances the harrowing incidents of the present progressive strangulation of the productive forces by the power of the Consumer could not possibly exist.

This would, of course, give an entirely new aspect to the problem of minimum efficiency. With a bare maintenance assured to it independent of any earnings, labor would become one vast union to maintain, not a level, but a fair remuneration. There would be no non-union men, for there would be no motive for their existence, as nobody need hunt for a position. With an uniform demand, steadied by the tremendous balance-wheel of the income from the Property in Ideas, and a competent leadership, chosen by natural selection from the foremost graduates of the universal competition and universal preparation for those places, the expansion of industry would wait, not upon the capitalist or the captain of industry, but upon labor, to make its next step possible.

Under such a régime the Conflict of Capital and Labor would take its place as a forgotten tale. There is no real conflict now between them, but the war they are waging, apparently with each other, is really their mutual struggle with the Consumer. It is a war over the supposed ownership of a fund which in fact neither of them possesses,—the fund of profits arising from the Property in Ideas. This fund the Consumer has slyly appropriated; and with its restoration to the forces of industry even the memory of the old feud would vanish.

## CHAPTER XXII.

### “PROGRESS AND POVERTY” REVIEWED.

WHEN, in an earlier chapter, we spoke of the “confused murmur of voices” that responded to the query, “What shall we do to be saved (socially) ?” we had in mind, as every attentive reader must have had in mind, one manifest and emphatic exception. The book of Henry George, in fact, comes within no category; it can only be adequately treated by itself. It is the reverse of a murmur; the reverse of confused; the reverse of court-plaster reform. It speaks out in trumpet tones, with a clearness and precision unsurpassed, so far as we have knowledge, in economic literature, and with an unflinching demand for deep and radical social surgery. It marks a new class, a new aim, and a new era in the literature of social science. Its wide and deep influence has installed its author as a new type of political economist,—one who, to the penetrating insight of the truth-seeker, united the passionate yearning of the philanthropist for justice and human brotherhood,—the true knight-errant of economies. Henceforth all those who seek to turn political economy to the service of the poor and down-trodden of the race, as the preëminent field of service to all mankind, can hardly escape being in a sense his disciples.

We, on our part, have no wish to escape the acknowledgment of our discipleship. On the contrary, we take great pride in it. This present book is

directly founded on "Progress and Poverty," and accepts not only its aim but many of its conclusions. We have read and re-read it until we find ourselves constantly committing unconscious plagiarism of its treasures. Much of what is contained between its covers seems to us to be so sound in substance and so perfect in form that it may almost be considered as a definitive closing of the discussion. Yet the main conclusion we have reached is strikingly at variance with the one it presents; and although in what we have already given of our position the reasons for this are necessarily stated, it is perhaps but a decent acknowledgment of our heavy debt to Henry George to examine, as best we may in a limited space, the course of his reasoning with reference to the points where we have departed from it.

"Progress and Poverty," then, is distinctly a search after the Beast. Its author looks upon the vast growth of the productive powers of modern industry, and then upon the terrible misery and want which are unrelieved by the surrounding plenty, and upon this *prima facie* evidence arraigns society as a worker of manifest and crying injustice. He searches for the artificial barrier which isolates the want from the plenty, and examines the Wages Fund theory and the Malthusian theory of Population as the principal explanations offered by the current political economy for the existence of such horrors. His disproof of these theories we think partakes of the character of a demonstration in geometry, and leads to the conclusion that the mysterious evil he is seeking lies elsewhere. Interest is also questioned as a possible plunderer of labor, but is vindicated as natural and therefore just.

The only one remaining of the fields into which political economy divides society's activities is that of rent, and his search for the Beast is henceforth conducted in this field. He finds that the "increase of rent which goes on in progressive countries is the key which explains why wages and interest fail to increase with increase of productive power," that "the increase of land values is always at the expense of labor. The increase of productive power does not increase wages . . . because it does increase the value of land. Rent swallows up the whole gain and pauperism accompanies progress." And finally, after having traced industrial crises to the pressure upon labor and capital caused by the speculation inflation of land values, he reaches what we may consider his justification of his theory of the Beast in the even more extreme statement that "the reason why, in spite of the increase of productive power, wages tend constantly to a minimum which will give but a bare living, is that, with increase in productive power, rent tends to *even greater* increase, thus producing a constant tendency to the forcing down of wages."

With the full process of reasoning by which these conclusions are reached we cannot here undertake to deal. Henry George, in the writing of his monumental work, has substantially rewritten political economy to suit his thesis, and with much genuine benefit to the science; but we have done this in favor of our own position to the full extent of our ability and opportunities in the preceding chapters, and cannot repeat the task in the critical examination of "Progress and Poverty." The conclusion given above, however, is so highly concrete and simple that it is possible to

apply to it some very easy tests of statistics and reasoning to try its soundness; and this we shall now proceed to do.

And first let us ask, What is the amount of that portion of the nation's income which goes to the paying of rent? Since it is the payments to this fund which absorb all the increase of society's productive power, evidently the magnitude of the fund itself will be startling. It will furnish an impressive object lesson in the magnitude of the fruits of the world's Wonder Century.

It is not hard to answer this question with sufficient accuracy for our purposes. Of the nation's income about sixty per cent. consists of the remuneration of all forms of labor. Estimates of different writers vary considerably upon this point, but they hover around the statement given above, and we may safely take this as near the average; conservative writers usually give a smaller share than this to capital, radical writers a larger. This forty per cent. arising from capital includes income both from real estate and from personal property, the real estate constituting about five-eighths of the whole, the personal property about three-eighths,—again taking a rough average of various guesses. It is the income from this real estate which is usually called "rent," and here we have found it to be about one-fourth of the nation's income. But it must be remembered that Henry George very expressly excepts buildings and improvements from this definition of true economic rent. The rent of which he is speaking when he says that "rent swallows up the whole gain" of progress, is rent for the bare, unimproved land alone. To reach the amount of this

rent we shall have to make a further large deduction from our estimate of one-fourth of society's income as arising from real estate. Taking the usual run of income-producing real estate, it is surely a modest estimate to say that the improvements are worth one-half of its gross value. Therefore deducting one-half of our one-fourth we have one-eighth of society's income as the amount arising from the rent of the land alone, excluding the value of the improvements.

But even this is not the sum we are seeking, but contains the latter. It is the *excess* of present rent over the rent of one hundred and thirty years ago that, it is asserted, has absorbed the whole gain of progress. Let us put the rent of the bare land in 1770\* at one-fortieth of the gross income of society,—surely a very modest estimate,—and deducting this from our one-eighth of the gross income to-day, we have one-tenth of the latter as the sum we are seeking. The contention of "Progress and Poverty," then, reduced to definiteness, is that approximately one-tenth of society's present income is due to the modern advance in productive power due to the progress of invention.

There are two main assertions made regarding this increase of economic rent, which we have reduced to the above quantity (or proportion). One is that it exceeds the increase in productive power in the same period:—("with increase in productive power rent tends to *even greater increase*.") The other is, that it

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\* Henry George's assertion that rent swallows up the whole increase in productive power was not made with any specific reference to the precise period we are here considering. It is a perfectly legitimate test of its accuracy, however, to apply it to this period, which is the typical period of large increase in productive power.

is the absorption of this increase by rent which produces the "constant tendency to the forcing down of wages," and the problem of excessive poverty generally.

We may safely take the first assertion, when applied thus to the definite quantity we have reached, as constituting a manifest *reductio ad absurdum*. Any man who should gravely state that the progress of industry since 1770 had added one-ninth or one-tenth to the world's productive power would cause more merriment than wonderment. Nor would the allowance of any margin of error that might reasonably be claimed against our computation greatly help his position. One-fourth or even one-half as representing this increase would still be manifestly inadequate; the power of industry in this period waxed, not by small fractional increments, but in some cases twenty-fold, some sixty-fold, some an hundred-fold. There is ample recognition of, and insistence upon, this fact in "Progress and Poverty," and we are left to infer, therefore, that it was by pure inadvertence that Henry George fell into such a manifest contradiction. Certainly no man who, with any keen scrutiny of relative magnitude, looked first upon the one quantity and then upon the other, could possibly have taken the rent now paid for bare land to include the total annual value of the progress of the Wonder Century as embodied in our present civilization.

But as to the second assertion the case is not quite so clear. While one-tenth of society's income does not by any means measure the increased power of industry due to progress, it is a tremendous sum, and its deduction from the share of the poor would amply

explain their transference to the ranks of absolute destitution. But not the slightest evidence is submitted that the taking of this sum for rent has fallen in any especial manner upon the poor. In fact, the pressure of rent is spoken of as being, as it evidently is, against capital as well as labor; and therefore even according to the suppositions of "Progress and Poverty," it simply impoverishes the forces of industry as a whole, and does not in the least explain excessive poverty or destitution. But despite this pressure the remuneration of the productive forces as a whole,—capital, and wages of superintendence as well as manual labor,—has, beyond a doubt, vastly increased since the beginning of the Wonder Century. To put forward as the cause for poverty a process which must, by parity of reasoning, also be credited with the creation of enormous wealth, is manifestly insufficient. It does not give us the essential difference between the forces producing wealth and those resulting in poverty.

But one other point should be noticed about this alleged pressure of rent upon production. It is necessarily an equal pressure for all producers. Rents, of course, vary from nothing almost to infinity, but by the very terms of Ricardo's law the deduction of these rents leaves net fertility, or (extending the idea of rent to cover also lands used for manufactures and commerce) net productivity, equal for all grades. A general rise in rents, therefore, will simply show itself in increased prices for articles of consumption,—it is a necessary expense for all the producing forces, and as such the Consumer is forced to pay it. It will, therefore, be a burden upon industry only in so far as high prices of goods burden the industrial forces.

But, as is well known, the cry of the destitute in hard times, is, not, "Prices are high," but, "No work is to be had."

A related weakness is to be noticed in the explanation given for panics. Henry George assumes, as the starting point of the panic-producing series of disturbances, that "*production* has somewhere been checked." "The obstacle which checks labor in expending itself on land . . . is the speculative advance in rent, or the value of land, which produces the same effects as a lockout of labor and capital by land-owners." Now it is certainly a fact of common observation, for which we should expect to receive an unanimous support, that production is never the first of the twin processes to cease its activity. If it were, the first symptom of a panic would be the failure of the supply of commodities, effective demand being still present. We may safely challenge any one to produce such an instance. The universal premonitions of a panic or period of dullness are undiminished, and hence redundant, production accompanying halting consumption. But while normal demand is still present a failure in production of any considerable importance is simply inconceivable, and as a matter of history, we make bold to say, utterly unknown.

But when we come to consider "the speculative advance in rent, or the value of land," as the supposititious cause of panics, we meet one fact of cardinal importance. The two are not equivalent;—quite the contrary. A speculative advance in the *price* of land, produces, not a *rise*, but a *fall*, in rents. Where land is bought at a high price to hold for a still higher, the

anticipated increase in value is the main incentive, and the immediate income-producing power a secondary consideration. In fact, the latter is often deliberately sacrificed.

It is a well-understood fact, for instance, that many of the costly office-buildings in the very centre of our large cities return no adequate income for the investment they represent; — they are simply the best present use that can well be made of a property which is really held for the sake of prospective unearned increment. Similarly, when a capitalist has bought a farm to hold for a few years until he can sell it off for building lots he is very ready to lease it to a tenant-farmer for a rent which is simply ludicrous if looked on as a return for the capital invested. Such a speculative advance in the price of land never does, or in the nature of things can, advance rents, which respond only to an actual pressure upon the land for use and occupancy. If this be true, all arguments drawn from the pressure of rent upon labor and capital on account of the speculative advance in land prices, must of course fall.

But looking closely again at this matter we see that it largely, at least, disposes of the famous “unearned increment” doctrine. If prospective increment of value be paid for in the purchase price of real estate, it can hardly be said to be unearned, so far as the present purchaser is concerned. If the same have been true at each previous transfer, there is no unearned increment to be explained.\* It is difficult to

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\* It must be admitted that this explanation is incomplete, for it presupposes value existing in land; and if no private property therein were acknowledged, the series by which we parallel the

follow this doctrine to the beginning of our chains of title, for titles by conquest and similar invalid claims are soon encountered; but the position is reinforced by a consideration, which, again, we are enabled to borrow from Henry George himself. As he says in his chapter on Interest: "The interchangeability of wealth necessarily involves an average between all the species of wealth of any special advantage which accrues from the possession of any particular species, for no one would keep capital in one form when it could be changed into a more advantageous form."

Here we have the insuperable difficulty of the "unearned increment" doctrine. Land is at present, whether rightfully or not, simply a form of capital; it is freely interchangeable with money and other forms of capital. Is land more advantageous to hold than

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returns to land-holding and the returns to other capital would fail for want of a possible first term to the land-holding series. But once grant an unearned increment accruing to land in the shape of salable value, however small, and it must be evident that, if a free market exist, the advantage of investing in land values will be maintained at the general level of returns to capital from other investments.

The practical conclusion to be drawn from this is that much injustice from past ages is embodied in the present distribution of land, just as there is much similar injustice embodied in the present distribution of money. In a certain sense each is a "continuing injustice." But the seat of the present injustice is to be sought, not in the institution which preserves and increases equally just and unjust gains, but in the unjust gains which the institution has preserved. It must be evident that to involve both just and unjust gains in one common ruin cannot possibly subserve the ends of justice. If it be contended that it is impossible to trace the present wealth resulting from past injustice, and to strike at this alone, this must be admitted; and the evident conclusion therefrom is that general ameliorative measures are the only resource to-day,—that any attempt at vengeance or retribution will grotesquely increase rather than diminish the present evils.

money? No; for then every investor would be buying only land. Are its "special advantages" equalized by interchangeability with money and other forms of capital? Are they discounted in the high price which it commands relatively to its income-producing power? Manifestly, yes; they must be, as is plainly evident to anyone who has ever hesitated between different investments for money, and as is asserted in the above quotation. If this be so, a sum of money invested at interest and a similar sum invested in land would on the average produce equal results, the accumulations of the greater income from the interest-bearing money equaling the accessions of "unearned" increment of value to the land. Yet if the money lent at interest earn its increment, the money invested in land must earn the advance in the value of the land.

We find then at every point, using merely tests within everybody's competency and knowledge, that Henry George's philosophy of the Beast is seriously defective. He assumes to show where the income from the vast power of the People's Property in Ideas has gone, but the fund to which he directs us is insignificant beside the Income. He essays to show us the cause of destitution, but the pressure to which he calls our attention is equally severe against the rich. He explains panics by reversing the manifest direction of their movement. He explains excessive wealth by the "unearned increment" which yet we find must, by his own statement, accrue to all other forms of capital as fully as to that form which he reprobates and seeks to abolish.

Resulting from and reflecting all these defects in

his argument we find a manifest insufficiency in his remedy. The wrong which prompts his quest for the Beast is the exclusion of the very poor from the benefits of progress. The ideal remedy\* he proposes for this wrong, however, consists, for the individual, in the ability to resort to the primitive methods of production on unoccupied land,—which is practically, of course, to relinquish the power of civilization. We need not deny any virtue in this remedy;—in fact it is sadly true that our modern civilization is for myriads of its victims far worse than barbarism. But manifestly the only real remedy for the exclusion of the very poor from the benefits of progress is, as we have before said, to execute a right-about-face and include them,—to turn over into their possession their rightful share of the rich fruits from the Property in Ideas.

But no flaws in the reasoning of Henry George's work as an economist can displace him from his pedestal. He contributed to the cause to which he gave his life the indispensable element in all reforms,—the moral element. Once given this,—once fire society's lukewarmness and cowardice with the power and pas-

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\* It is not necessary here to examine critically the proposal to confiscate land or its rent. It has many virtues as an administrative measure in no way connected with its manifest shortcomings as a scheme for the abolition of extreme poverty and extreme wealth. Our theoretical objection to it is embodied in the proof that the rent of land does not contain the gains to society from progress. The practical objection to it, however,—that it strikes capriciously and at random, impoverishing not only the rich land-owner, but the poor widow, and sparing not only the poor workman, but the multi-millionaire,—is insuperable.

It seems to us plain that Henry George is followed and revered, not because of, but despite, the manifest harshness of his proposed remedial measure.

sion of a master-spirit,—and the miracles begin to happen. Once given the dauntless will of a real leader, and even his camp-followers find the way opening before them through the mountains of difficulty. And that such an influence has gone out from Henry George we think is beyond question. When the expounders of the necessity of destitution as an economic force have taken their place in history beside the apologists of human slavery, his personality will loom large to posterity as an elemental force making for freedom and righteousness.

## CHAPTER XXIII.

### THE HUNGER FOR DEAD SEA FRUIT.

No PROBLEMS of economics are more pressing or more difficult than those tinctured with moral issues. These problems do not properly belong to the field of economic science, as this latter is usually defined by its self-appointed wardens; they are rather churlish intruders that despoil its cloistered serenity. But to what we may call the practical art attaching to this science,—the art of economic reform,—these problems do most assuredly pertain. No man who proposes to apply economic conclusions to the benefit of society can long avoid them. They are inextricably entangled with all economic forces and institutions, and the practical questions which they present are most perplexing. It seems impossible for the economic reformer to proceed very far with his schemes for the amelioration of social conditions without first formulating a serviceable working philosophy of the inter-relations of the two fields.

The liquor question is a typical case in point. It is, of course, primarily a moral question. Each individual should settle it for himself in his own private court of conscience,—and, of course, should settle it right. For just here comes the rub. So many individuals do settle it for themselves, and settle it the wrong way, that tremendous and appalling fruits of their dereliction make their appearance in the economic field. Grinding poverty, terrible cruelty to

children, unsteady working habits, rowdyism and law-breaking, pauperism, despair and suicide,—these are but a few of the results of intemperance that cross the reformer's path in his consideration of economic questions. Without wishing in any way to trench upon the field of the moral reformer the economist soon sees that all the help he can possibly render is badly needed, and that, in fact, without his coöperation the problem is likely to wax greater rather than diminish.

Without attempting to make a minute catalogue of these questions, we may take those of the liquor question, the social evil, and gambling, as practically constituting the field. Each of these is an immense absorber of time, effort and happiness, and without making any worthy return therefor. Each trenches seriously upon funds which should go to promoting sane and honorable activities. And finally each seems to seduce its victims by holding out promises of gratification or happiness which are, and in the nature of things must be, utterly illusory,—which turn to dust and ashes in their grasp.

The prevalence of these vices in all ranks of society, and especially among the very poor, raises a momentous question in the path of our reform. For our plan of social regeneration consists, at its starting-point, in the universal provision of funds sufficient to insure to all the people the ability to prepare for the work of life, and also sufficient to keep them from absolute destitution when unable to work. These funds could, of course, easily be used for further indulgence in these destructive vices, and our seed-grain thus utterly wasted. What guarantee can we offer that this would not be done?

Manifestly we cannot here call in the aid of the moral reformers. We have no right to assume that they could or would do any more to save these new funds from being wasted than they have done to prevent the existing waste. But lacking effective moral help in this moral problem, where shall we turn? What resource is in sight to prevent the waste of our new seed-grain, and to insure its being applied toward help to self-help?

The resource with which we essay to help in the solution of this problem is that of employment,—full and rational employment for all energies and faculties. And it would be hard to find a more important resource for use in the warfare against evil. As Satan infallibly finds mischief for idle hands, thoughts and energies to compass, so the proper employment of these is in all cases a direct blow to the kingdom of evil. The power of a great and engrossing preoccupation in some weighty task or in some high aspiration, is like the charm of the traditional pure heart in its power to lead a man unscathed through the haunts of the forces of evil. It is this remedy of preoccupation which is, we think, distinctively the resource of economic reform in the treatment of these moral problems; and without underrating the necessary importance of legal and moral agencies, we still think that the hope of the future lies primarily with our plan of securing health by activity.

The harm wrought by physical idleness in the laboring classes has been widely recognized. One of the worst forms of evil connected with “hard times” is the enforced leisure which it gives to the workers, and their consequent ability to unite and propagate their

evil thoughts. One of the heaviest burdens which our millionaire paupers lay upon the community is the perverted thinking which flows out to the waiting world from their abnormal want of serious occupation. And if, throughout our social fabric, we were to trace the evil which flows from idleness, we should have explained much of what usually passes for natural depravity.

Taking the wide definition of idleness it is not at all fanciful to say it is the root of all moral evils. For we may reasonably define moral evil as the attempt to reach certain legitimate gratifications of human nature by short cuts. These short cuts seem, to the novice, to lead direct to the desired object; but the essential fact about all of them is that they leave out the steady influence of the effort and responsibility which are Nature's price for obtaining the gratification. Leaving these out, however, in reality the object sought is left out; the eagerly-desired gratification is not obtained, and the coveted pleasure turns to dust and ashes in the realization. Evidently any normal gratification of desire of any kind is Nature's bid for normal activity and service; and any attempt to evade the service while yet obtaining the gratification inevitably results in the would-be cozener of Nature simply cheating himself. All Nature's rewards, we may say, therefore, are attached to employment, effort, service; the fraud which seeks to grasp the rewards while yet indulging idleness and renouncing responsibility draws upon its perpetrator Nature's penalty of futility, and figures to our common knowledge as vice.

But why, if this be so, should these short cuts be perennially attempted? Is the world so young and

verdant that no experience on these points has been collected? Are we to suppose that the futility of these alluring short cuts is decreed by a fundamental law of Nature, and that yet each generation as it comes on the stage must re-discover for itself this primary rule for the conduct of life? Is there no inheritance from the ages here?

Yes and no:—in very perplexing proportions. Each generation as it comes on the stage is pretty faithfully warned of the futility of the short cuts; but it is also rather freely advised that the normal and legitimate ways are blocked—for all except a favored few. Every man craves the sense of power, facility, creation; but our wise mentors say that these triumphs are only for the few; and the barred and baffled multitude are driven to solace this dumb hunger of the archangel within them by indulgence in the counterfeit exaltation of drink. Every man craves in some degree the possession of wealth,—the command of the resources of civilization; but the normal way to this goal is, for the ordinary man, so manifestly strewn with daunting obstacles, that it is not strange many turn in desperation to gambling, and stake their hopes upon prevailing against the loaded dice of fate. Every man is moved by an imperious instinct to seek the exercise of the function of generation; but the burdens and responsibilities connected therewith in Nature's plan seem, to the man without consciousness of developed powers, so great, that the desecration of this holy of holies comes to be advocated as a practical necessity by the supposedly wise, and, of course, is freely pursued as justifiable by the thoughtless.

Much can doubtless be accomplished in all these

fields by replacing with sound advice the darkenings of counsel from short-sighted wiseacres which now cloud the situation. But large progress in persuading men to attempt Nature's high-roads in place of the short cuts must largely depend upon the demonstration that they are not barred. This demonstration is necessarily incomplete at present; the plain fact is that the high-roads *are* largely barred to those not helped along by favoritism. It is, to be sure, true that, notwithstanding the barriers, the high-roads are only difficult, while the short cuts are impossible. But in attempting to demonstrate this we are contending against a deep-rooted instinct of human nature,—the instinct of justice. Minds dominated by this instinct refuse to believe normal and rational gratifications to be unattainable, and finding the high-road so difficult as to be practically barred to the mass of men, they instinctively draw the conclusion that the short cuts must be open thoroughfares.

Every opening of the high-roads, therefore,—every provision of the means for enabling all men to develop their innate powers, and for withdrawing special obstacles to the multitude on the one hand, special privileges to the favored few on the other,—every such movement diminishes idleness, extends and intensifies application, multiplies sane and purposeful activities, and as a necessary result diminishes vice. And to open the high-roads does not mean to guarantee that any man shall be able to traverse their whole length. To achieve the end we seek it is not essential that all men shall compass the realization of their youthful dreams. A man may start out to be a typical captain of industry, and after years of strenuous effort

become an employer of ten men; or he may yearn to thrill the world as a painter, and finally reach his level as a crayon-portrait artist; but such scaling down of ideals is not the fountain whence flows the world's inundation of vice. So long as a man by working develops genuine power of any kind, or makes genuine and tangible progress; and so long as he recognizes that those above him are honestly there by the unimpeachable warrant of efficiency,—so long he is receiving evidence that the high-road, however difficult, is honestly open. And while this continues to be the case men will work from the strong promptings of hope and aspiration, and the demon of idleness will be excluded from the motives of their activities. For hope and aspiration can do with ease what hunger and destitution can never accomplish,—they can employ in strenuous activity the whole man, both brute and archangel, and utterly close up and abolish the inner harbor of mental idleness which is the spring of vice.

To say, therefore, that our new distribution of seed-grain would be wasted, and would but go to swell the vast sea of vice, is to say that it would bring no message of hope to its recipients. It is to think of vice as receiving the serious tribute of men's hopes, and as being the ideal to which they would devote whatever accession of power came to their hands. But all our experience proves the contrary. The bulk of men's tribute to vice is rendered unwillingly, sadly, as coming from dispirited captives, constrained by a hateful force which yet they cannot muster strength to overcome. In proof of this we may cite as typical the well-known fact that the expenditure for liquor and other forms of indulgence in vice often increases,

instead of diminishing, in hard times, when the money for the purpose must naturally be harder to get. Returning prosperity, on the other hand, gives men a consciousness of reviving power, and inspires them to make more strenuous efforts to shake off the galling chains. And exactly similar in kind, but infinitely greater in degree than any slight wave of prosperity that now reaches the Inferno, would be our universal distribution of seed-grain. It would carry a strong impulse of hope to all whose ruin was not complete, would incite to glad effort, fill up the waste places of idle thoughts; and would thus raise relentless walls of circumvallation around vice's wasting stronghold.

Thus our plan for the economic treatment of moral problems is simply our universal remedy for the diseases flowing from our distorted social organization:—the provision of universal help to self-help, universal hope and universal activity. If the plan we have outlined in the preceding pages would, as we believe, cause all men to work for nobler ends, with ampler powers, and from saner motives, it would also necessarily, without further devices, and by virtue of its own innate power, strike a tremendous blow at the power of the kingdom of vice.

But here again we would disclaim any belief in an easy, complete and rapid triumph. The remedial force which we have invoked we firmly believe to be a conquering influence; but the forces of evil which create our moral problems are strong, and strongly intrenched, and any ground which is won from them must be won inch by inch. They have by long centuries of possession bred themselves into the inner fibre of men's lives, and multitudes of individuals are

under their domination who would certainly prove refractory to our treatment, and whose cases, in fact, cannot be traced in the least to the influences by which we have endeavored to explain vice. Like all diseases of our present social system they appear in two principal manifestations,—as diseases of poverty and diseases of riches; and our remedy is of more immediate application to the former. But it is nevertheless a tonic remedy, making for the health of the whole range of society; and if it have in any degree the effects we assign to it, it must tend to the health of the top as well as the bottom of the scale.

Here, and in the hands of its own proper physicians, the forces of law and of purely moral suasion, we must leave the remainder of the problem.

## CHAPTER XXIV.

### CONCLUSION.—FINE CLAY AND COMMON CLAY.

THE time has come to drop the curtain on our vision. We have followed into many ramifications the results which must naturally flow from the simple and practicable reform we advocate. We have seen in imagination many gladdening results stand out clear and plain and incontestable in the foreground of our picture, and many more less clear but plainly manifest in the middle distance; while grateful hints which we have not followed out to definiteness have invited our eyes to rest longer on the dim background. But one familiar object in visions is undoubtedly missing here: — strain our eyes as we may they can catch no hint of Utopia. The land of perfection is not in our picture, even as a dream of the future.

In fact it has not been part of our aim to pierce the veil of the future. The present sketch is merely a study of the probable workings of our existing social forces under a régime of equal opportunity for all. There would seem to be little room for speculation here, for as we have often been told we are living in an era of equal opportunity. But those who have followed us through this discussion will probably admit that to call the opportunities of our present social system equal involves a large amount of unconscious humor; while we must for ourselves admit that even our reformed society is very far from attaining equality

of opportunity. But to carry forward the reform we have already considered until it does at least approach this goal is largely presupposed in what has gone before; and we therefore, to carry our discussion to its logical end, assume a foresight of the future sufficient to show us this as a fact accomplished.

In the beginning of our investigation we found the larger benefactions of the World's Charitable List to be a menace to society. But we also found that to abolish the funds of parental solicitude in order to reform this abuse was then practically impossible, as it left all society apparently defenceless against the Inferno. We proceeded with our reform, therefore, on other lines, and discovered a fund entirely adequate to the abolition of the Inferno, absolutely unfettered with any claims of special vested rights. We thereupon in imagination applied this fund to the crying need, thereby abolishing the Inferno and raising our whole range of society to the possession of the power of self-development. And having done this we have come again to the consideration of the World's Charitable List, and again we find the menace of these huge benefactions. Has the need for their abolition changed ?

It has decidedly changed; it has grown palpably stronger. For in a society where want and misery form the universal background, strong men will protect their families against such horrors even at the expense of their development in self-reliance; but in a society where the Inferno is unknown, where food, clothing and shelter can be assumed, and where the poorest has ample opportunity for self-development, the men who have developed their own powers

through strenuous effort will feel that to rob their children of the natural incentive to such development would most cruelly disinherit them. With such a feeling dominating society the practice and finally the power of bequest and of equivalent gift would be subject to progressive curtailment by public sentiment and law; and thus all forms of wealth by charity would tend to final extinction.

We may take, therefore, as the logical result of the new force we have invoked and whose probable action we have been tracing, a society of practically absolute equality in the financial element of opportunity. In such a society a man could amass and hold wealth, but he could not transmit it to his children except for their minority. It may, and in fact must, be assumed that he and his wife would hold the joint result of their earnings and savings in joint-tenancy, and that the estate would continue through the life of the survivor. But on the termination of this estate, and of the following estate for the minority of the children if any, the property would pass to the state, and would be used to swell the fund for per capita division to the whole population. The power of bequest, however, would of course be allowed to survive for such things as family heirlooms and keepsakes; and for homesteads,—to occupy, but not to rent or sell. The possession of such sentimental wealth could never be a source of harmful inequality. No man would be likely to leave his son a ducal palace as a homestead, since it would be in the nature of a drain upon income rather than an addition to it. On the other hand the denial of a gratification so manifestly tending to the dignity of humanity would be unspeakably brutal to the

victim and absolutely without benefit to the community.

This state of society we put forward as a worthy, a practicable and an inspiring ideal, and as embodying in itself the best possible results of many of the most promising reform movements now working in society. But we maintain that it is not in the least *our* ideal. It is simply the goal of manifest destiny toward which the development of the race is tending, and to which it is even now drawing near. It is the logical crown of that long triumphal progress of the philosophy of democracy, in which, though apparently at every step conquered and trampled under foot, it has steadily forced its opposer backward. It is our present society as our orators describe it in their exalted moments, when they elevate their gaze to its spiritual countenance, and forget for a time to cherish the abuses that bind its feet. It is the promised flower of our most ardent aims, hopes and aspirations, cleared of sophistry and inconsistencies, and finally triumphant over the philosophy of obstruction that has so long fought their progress.

The advocacy of this state of society as a practicable ideal, the advocacy of progress towards it, or of any of the steps that lead up to it, is the great social heresy. It is as blasphemy to the forces of conservatism, and these have always opposed it relentlessly. In the good old days they opposed it with genuine persecutions and substantial terrors; but their side has been sadly weakened by desertion. They now contest its progress with soft words and a philosophy. It is this current philosophy of conservatism which we

have been continuously assaulting throughout this volume; and this philosophy is but a branch of that universal philosophy of the House of Have which has for time out of mind stood squarely across the path of civilization and progress.

This great obstructive philosophy is made up of one basal principle and numerous applications. The basal principle assumes that God has made mankind of two kinds of clay,—Fine Clay and Common Clay. The applications are directed to showing how, in any given state of society, the well-being of the whole social body is bound up with the allowance of all manner of privileges to the Fine Clay,—that civilization rests upon inequality, and the possession by the few of the prescriptive right to command the many.

During the long unquestioned dominance of the House of Have a high degree of inequality came to be tacitly accepted as necessary and inevitable. Whoever questioned the righteousness of this was a pestilent fellow and a disturber of the peace, if not a law-breaker and a traitor. But for over a century now there has been a spirit in the air that has not only questioned it but has vigorously attacked it and made continuous headway against it. And as conservatism had come to stand for inequality pure and simple, the waxing spirit of freedom took its stand upon the opposite principle; and the banner of radicalism always has borne and still bears the legend of Equality as its most cherished watchword.

No similar period ever witnessed such monumental progress in breaking down the bulwarks of conservatism as has the century just closing. The thrill of aspiration for freedom has girdled the earth, and al-

most as widespread have been the movements to secure its practical fruits. The actual advance made toward the breaking of the chains of human bondage has been so great that if the century had made no other noteworthy contribution to humanity's riches, it would loom large to posterity for this alone. For the first time in history philanthropists and reformers have been counted among the great men of the earth, and the early martyrs of a new ideal have lived to see themselves canonized.

With almost the same fervor and belief in its power have men worked for the coming of equality. In fact the two movements were hardly separated, even in thought,—liberty and equality were taken to be the two aspects of the one ideal. Yet it must be apparent to whomsoever thinks soberly over the wonder story of the past hundred years that sometime during this period the two parted company. The cause of liberty and power for the common people has gone on developing ever-increasing strength up to the present time, with hardly a serious check to its advance; but the influence of the ideal of equality seems to have reached its zenith before the middle of the century. Since then its career has been a checkered one; it has made notable advances and has met equally notable checks; and to-day it rests half way between victory and defeat, half honored and half repudiated of men; and a standing riddle to him who would read the signs of the times.

We read the riddle thus: There are two kinds of equality;—one has conquered and is still conquering; the other has been definitely checked, and is not likely to make further advances. Likewise there are two

kinds of inequality; and their fate has been full as widely divergent. And to comprehend the present situation we shall have to inquire what are the essential differences of these two related ideals.

Generally speaking we may say that inequality as such is the ideal of conservatives. No fine distinctions are made; tendency to inequality is a force making for civilization; privileges of class, deference to social position, and worship to the Fine Clay are all good in themselves. On the other hand equality without distinction of kind is just as unqualifiedly the normal ideal of the radicals. Civilization is a process of leveling; to reduce men toward a common height promotes progress; the ideal social state presupposes and practically consists of a state of absolute equality for the social units.

But with all the forces of equality ranged on one side and all those of inequality ranged on the other, the contest is of course indecisive. The right wing of each army is victorious, the left is forced back. And both sides rest on their arms.

It is in this one important respect, we think, that the forces of inequality have decisively prevailed during this century: it has been proved beyond a peradventure that there is no natural tendency to equality of efficiency. Under whatever conditions men work, great differences in capacity manifest themselves. But the more arduous the task, the more dazzling the rewards, and the more thorough the preparation, the greater seems to be the tendency to develop large differences of efficiency.

On the other hand the very establishment of this

position in favor of the forces of inequality registers a victory for the forces of equality. For if the greatest efficiency be developed only through preparation, we cannot possibly know beforehand whom to develop by preparation in order to secure efficiency; and hence on the average the greatest efficiency must be secured by the widest possible development,—which means equality of opportunity.

Thus our opposing forces have, as it were, changed weapons with each other in the shock of battle; and each has triumphed with the other's sword. The forces of equality have triumphed by showing that their ideal does make for efficiency,—but only by the appearance of increased functional inequality. Inequality triumphs in its appearance as the necessary form of social efficiency; but by claiming this triumph it practically admits defeat for all inequality not necessary and functional.

Thus we see that the Fine Clay conducts its present fight for the retention of its privileges from the vantage-ground of a successfully-defended position. The propaganda of equality has brought its utmost force to bear against this position, and has been signally repulsed. Functional inequality persists by the decree of Nature; to attack it is to attack efficiency.

But when we come to examine the tremendous structure of inequality that logically rests upon this position we can plainly see that the foundation is inadequate. The main part of the inequality which reformers are to-day attacking is not functional inequality at all,—it is parasitic inequality. It is useless inequality desperately hanging to the skirts of

the inequality that moves the world. And evidently its persistence to the present day and its hope of persisting into the future have largely rested and still rest upon the confusion in the minds of its enemies, who wish to abolish indiscriminately the whole structure.

The maintenance and zealous increase of this confusion is the function of the apologists of the Millionaires. They are constantly proving that inequality is necessary, and drawing therefrom the conclusion that in all its details existing inequality is necessary. They prove the beneficence and propriety of richly rewarding alike the Self-Made Man for his labors, and his children for their idleness. They trace all the virtues to the irresponsible leisure of the Fine Clay, and all possible vices to the irresponsible leisure of the Common Clay. Real refinement is, according to them, only attainable by relieving the Fine Clay of the task of earning a living; but a similar relief to the Common Clay only cultivates grossness and pauperism. Civilization would wane were the cultivated thoughts of the Fine Clay despoiled of their serenity by immersion in money-getting; but were the Common Clay not tied to their tasks by hunger and destitution, economic chaos would come again. In short the only consistency traceable in these deliverances is the uniform assumption that the Fine Clay is superior to economic rules and the Common Clay subject to them ; and from this assumption, carefully handled, can be drawn the law and gospel of the House of Have.

Even the contortions arising from this effort to face both ways, however, have not been able to hide

a cardinal change of position within the past century on the part of the Fine Clay. They still claim the privileges of superiority just as vigorously as ever, but not so confidently. They are now resting their claims, not on divine right, but on value rendered. They plead the tremendous services of their wealth to society as justification for privilege. In short they have tacitly assented to our doctrine that the only valid claims of inequality in this age of the world are claims of functional inequality,—of efficiency. They allege that wealth-by-charity should survive because the world could not afford to dispense with its fruits of culture, refinement, breeding;—that these fruits benefit not only the possessors but all society, and that to society as a whole they are richly worth their cost.

This brings the discussion to a clear joinder of issue. We cannot refuse to admit that if this be so the World's Charitable List of high privilege is justified by its fruits. On the other hand it must be admitted that if our society of equal opportunity could bring forth the same or worthier fruits without the sacrifices of seed-grain and blood which the maintenance of the Fine Clay entails, no plea for these privileges can finally prevail at the bar of the court of last resort.

In a society of equal opportunity such as we have outlined, certain problems that now vex the world would disappear entirely. The unearned increment of land, the cumulative power of large fortunes, the threat of aggregated family wealth, the clannishness of the very rich,—all these would cease to be prob-

lems if great accumulations of wealth ceased to exist upon the death of the man whose power brought them into being.

But would family life and the continuity of family traditions vanish with these accumulations ? Would men cease to have pride of ancestry and hope of posterity ? Would the rising generation leave the parental roof when its mere physical needs had been supplied, and thus fail to receive from the parents any of the moral heritage of humanity ?

In reply we might ask, What is the case to-day ? Is there now no real family life except under the shelter of large wealth and assured social position ? Can men not receive and transmit the exalted inheritances of honor and aspiration without the help of perishable riches ? To those who admit these limitations the future of the race must indeed look dark. For not one man in ten to-day has any reasonable hope, not one in a hundred has any reasonable assurance of being able to command these conditions for his children. Humanity is tending toward a gulf of gloom; the saved will indeed be a remnant.

But, as we all know, even to-day such limitations have no existence. In our Inferno, indeed, only men of marvelous strength can rise above their brutish conditions sufficiently to have and transmit to their children a human hope. But above this stratum we can find numerous instances where, in very limited circumstances, the noblest inheritance of the race is received and transmitted by each generation in turn. Manifestly those families which have hitherto received and transmitted each generation not only wealth but culture, power and aspiration, could con-

tinue to transmit these latter even were the wealth no longer transmissible. And if we admit, as we must, that under such circumstances the family glory would at once lapse upon the failure of the family nobility, this is merely saying that the world to-day is full of counterfeit nobility. It is no disgrace to true coin to have tests applied which rigorously expose the false; and the real and priceless gifts which the world is daily receiving from the heirs of generations of culture can only be truly appreciated when we cease to place the counterfeits upon factitious pedestals of wealth and circumstance.

It is inconceivable that family greatness would cease to be inheritable were the transmission of wealth made impossible. For the inheritance of character is one of the most dependable and uniform forces in Nature's armory. The principal cloud upon its reputation to-day lies in the fact, known to all observers, that where large wealth is transmitted, the gift of character often seems to fail. It fails, however, for a very good reason,—because the natural incentives to its development are withdrawn; because the wealth given as a help to character really proves to be a hindrance. But withdraw this seeming help and real hindrance; allow each gift of really noble character to develop on a basis of real need and strong incentive, and, while we should give a freer field to noble gifts sprung from the common lot, we should but emphasize the grandeur of the inheritance of traditional culture, breeding and nobility. Hereditary strength, self-dependence and earnest effort,—and, we may add, hereditary ability to earn a generous livelihood,—would come to be as common as hereditary

culture and breeding; and the cheerful and unostentatious conditions of common life would be graced on every hand by gifts of character and refinement which might well add lustre to the pinnacle of human station.

But we must not for a moment picture society as presenting a dull and tiresome level even in the matter of material success. The self-made men would not only still be with us, but in vastly greater numbers than ever; for every unique power which lay in the race in germ would have full opportunity and incentive to develop. There would be no substantial prizes distributed except to effort and achievement, and all the dreams of men, being as dreams foredoomed to futility, would necessarily transmute themselves into action. Necessarily the standard of achievement would be set high, the concentration of effort needed to reach the upper places would be great, and the prizes of wealth and honor for rare success would be surpassingly splendid.

But what would our new and superior breed of self-made men do with their wealth? Manifestly they would not be likely to rear their families in palaces of rare splendor only to leave them to share the common lot in after years. And here our apologist for the Millionaires\* tells us that there is but one thing they could do with it; they would be practically forced to spend it in riotous living and bestial indulgences. Forbidden to found an honored family line they would have no resource but to sow tares.

We can only vaguely wonder what must be the personal experience and the mental processes leading

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\* W. H. Mallock, "Aristocracy and Evolution."

to such a forecast. For the conspicuous examples we can call to mind of men of great wealth to whom fate has denied the boon of family life illustrate the exact opposite of this contention. There is, we are proud to say, so far as we have knowledge, practically only one thing that such men can do with their money,—they are forced to make the human race their family, and thus join the ranks of benefactors of their kind.

And this is evidently what our new self-made men would do with their wealth. Forbidden by conscience, by public sentiment and by law to found a line of licensed idlers to mock the fundamental law of nature they would feel the last fine thrill of reward for their life of effort in making all men nobler and better. And he who did this would found a family line and family tradition that would, if upheld by worthy descendants, make the glory of the DeVeres seem cheap and tawdry.

In fact it is against the decree of nature that wealth should found an honored family line. Wealth can indeed found a line:—such lines as have freely borne witness for themselves in the police-court records of folly and wickedness. And true nobility possessed of wealth can found a line that shall write a long succession of bright names in a nation's annals. But that the wealth alone is ever the important element we think it would be impossible to show; and that the true nobility is ever the indispensable and all-important element we think it would be impossible to deny.

The majority of the family lines which wealth has founded, however, are as a rule neither criminal nor grandly noble,—neither pure white nor unrelieved black, but a neutral gray. They realize

certain advantages, and certain other disadvantages from their position; and for the rest they exhibit large infusions of plain, ordinary human nature. This latter element is usually, of course, entirely unobjectionable; the bulk of mankind is necessarily ordinary. But here we have it placed in an extraordinary position. It is by its striking surroundings of great wealth raised up on a high platform, as it were, to be seen and admired of the world. This is, to the undiscerning, the badge of leadership; this constitutes ample warrant for blind following of whatever errors are committed in high places. Here is the source of our apotheosis of the commonplace; hence flows the insensate folly of our widespread worship of the deity of Display and the golden calf of Fashion with diverted seed-grain. Raised up on a commanding eminence and with their trappings of pomp and circumstance loudly calling to them to lead, our poor gilded paupers think they must needs speak words of command; and knowing not the words of wisdom they offer the multitude words and deeds of bitter folly. Deeply must the World repent some day in sackcloth and ashes her incredible weakness of giving the divine commission of social leadership into the trembling, bewildered grasp of poor, foolish children!

The honored family lines of the world to-day are undoubtedly in the main possessed of wealth. To the casual observer their honor seems to rest largely on wealth. But the real truth of the matter is that the help of wealth as rendered to honor is entirely in the mind of the observer,—it gives its possessor an external dignity of circumstance which seems to sort well

with noble deeds. To the mind of the possessor, we opine, large wealth must always appear rather as a deterrent from than as an incitement to noble deeds,—it surrounds him with so much of the semblance of honor that the incitements to battle for its reality are sensibly impaired.

The contention of the Fine Clay here,—that this situation tends to the production of true service to the race,—is at bottom very much like that of the socialists as explained in a previous chapter. They maintain that specific results flow more freely from general incitements than from specific incitements. They would put a man in a charmed world of honor and fine feelings, and then proclaim that he could not possibly prove false to his trust,—that he *must* produce grand and noble deeds. But what they have really done is to abolish bookkeeping in this charmed circle of society, to weaken the evidence of connection between cause and effect. So far as they have done this they have constructed a perpetual-motion machine, designed to take a confused jumble of halting motives, and from them produce a clear, definite and noble line of action.

All such processes as this set at nought the most clearly-demonstrated conclusions of modern social development. A definite incentive to elicit a definite result, a definite reward for a definite achievement, a clear view of the nexus between effort and attainment,—these are the maxims on which the tremendous efficiency of modern industrial development is founded. The burden of proof is distinctly on him who, in this age of the world, maintains that the anti-thesis of these ideas should govern the world's pro-

vision of incentives to secure the higher social desiderata.

Now the apologists of the Fine Clay must not suffer themselves to forget that the World will need all real social desiderata just as much under our new régime as at present, and will have just as much to offer in the way of rewards,—both the more obvious incitements of money and the more refined ones of honor and appreciation. If, therefore, she fail to get these desiderata,—if the DeVeres will not breed their quintessence of refinement without pay in advance, or if a wicked and perverse generation will not honor the superior fruits even when produced,—it will mark a distinct exception from the tried and proved rules of ordinary life, and the adequacy of demand and supply.

But who will be our social leaders ? Who will have at once the finer powers necessary to achieve true social leadership and the large wealth necessary to give them their proper setting ?

In order to answer this question we must first understand how much wealth is necessary to deck true refinement for social usefulness. Is it the wealth of New York society to-day or that of a hundred years ago ? the wealth of London social leaders now or under Elizabeth ? Did social graces utterly depart from the threadbare court of the exiled Stuarts ? Has its comparative poverty debarred the royal family of Denmark from social usefulness ?

No person, we think, can long hesitate over the answer to these questions. Large wealth is not in the least necessary as a setting to social graces; these can

rise superior to circumstances, and manifest themselves under the most discouraging conditions. But when tremendous wealth comes to be regularly displayed in connection with the occasions that are supposed to manifest the social graces, its possession becomes, not a natural prerequisite, but a conventional condition precedent, to their flowering. And the more it is thus habitually displayed the more rigorously it operates as a bar, hindering the outflow of the gracious influence of manners and refinement from their possessors to society at large, and blighting in their bud precious gifts of sympathy that might have blossomed into a wealth of roses to soften the thorny pathway of the race. If wealth have any other function than this as a social power, its manifestation is too occult to be plain to the outer barbarian.

Believing this we must admit,—or claim,—that our society of equal opportunity would have practically no leaders after the accepted model,—no definite class of large wealth and supposed monopoly of the gifts of social graces. It would, however, manifest not only as much refinement, culture, breeding, as our present society, but infinitely more, since all existing gifts of this sort would be free to develop themselves. For since the hold of any family, however refined, on large wealth would be, not merely precarious but certain soon to terminate, it would be ridiculous to associate permanent social powers with any transitory incidents. Social graces would therefore soon come to be exhibited even by their wealthy possessors without the questionable adornment which really mars them; and thenceforth no factitious adornment would be needed as a setting for such graces. Of course under such a

régime no family of fine social powers could ever disappear as a social force through financial misfortune, since the funds of equal opportunity constantly falling into their hands would be adequate in themselves to enable them to exist in comfort, and this would be the only material basis needed for social leadership.

This would infallibly close the temple of Display forever. With all social circles everywhere opening, and opening only, to the true spell of social worth,—with the reward of social position bestowed only upon the achievement of real social eminence and rigorously withheld from its wealth-born counterfeit,—the service of this heathen deity would be recognized as impossible foolishness and wickedness. Men would come to understand that wealth in itself could never buy the real rewards of effort, but that it could buy seed-grain; and that thus expended it could lift all men's aspirations above the level of material welfare. And here we get a glimpse of a vista of the future which we shall not try to describe.

An iridescent dream? Most assuredly. It could never be realized, even given the starting-point of our just distribution of the Income from the Property in Ideas, without a long course of development which should to some extent change human nature. This we have assumed almost without argument; only trial could prove the correctness of our forecast.

But is not this true dreaming? Is it not merely a rational extension of our present ideals and aspirations? Is it not based upon the powers and limitations of human nature as we now know them? Does it not avoid calling in the aid of any superhuman

faculty or wisdom, any unfamiliar virtue or self-command, as its efficient influences? We think so. And if this be admitted its function as a true,—that is, a possible,—dream of the future is not unimportant; for visions of a glorified earth have been widely disseminated in recent years that seem to us to be based upon assumptions contradicted by all the experience of the race.

But our primary measure of justice,—our redistribution of the Income from the People's Property in Ideas,—rests on no dreaming. It is loudly called for by the conditions, hopes, fears, needs, perplexities, of the men of to-day. We maintain that it is the true end for which the advocates of such measures as old-age pensions and the provision of government relief works for the unemployed are seeking. These men see the need, but the help they would proffer is a deadly hindrance. Even-handed justice, however, also meets the need, and more, it raises all men into the sunlight of hope; but it veils not the incentives nor confuses the motives which have within a few generations transformed the earth.

One very threatening class of dangers to our social welfare has received no direct consideration in this volume,—the dangers from the corrupt use of wealth, industrially and politically. The purchasing of legislatures and city councils; the corrupt political power of large corporations; the oppressive rule of commercial monopolies, and their terrorizing of individual competitors; the subtle form of bribery which wealthy interests utilize in the rewards of business advancement which they offer to their willing hench-

men,—these are most pressing questions, threatening us with measureless degradation if they be not solved; yet our measure has not propounded any solution of them.

We would not underrate the threat of these insidious maladies of our social body, but neither would we underrate its recuperative power. The burden of these iniquities falls principally on our middle classes, whose livelihood is threatened by their growth. But our middle classes contain the main part of the strength and competence of the nation, and when thoroughly aroused they can strike these reptiles dead. Encroachment on their rights is tending to work its own cure by increasing past the point of endurance, while encroachment on the rights of the very poor tends to perpetuate itself by destroying their power of resistance.

But our advocated reform would most powerfully aid the work of uprooting these corruptions by bringing the whole nation within the bounds of our present middle classes. It would furthermore remove from the possibility of corrupt influence a very large vote which is now purchasable or subject to intimidation. With these reinforcements of the influences now assaulting the strongholds of corrupt wealth, the issue of the battle cannot be doubted. A nation of real freemen would very quickly shake off this degrading yoke.

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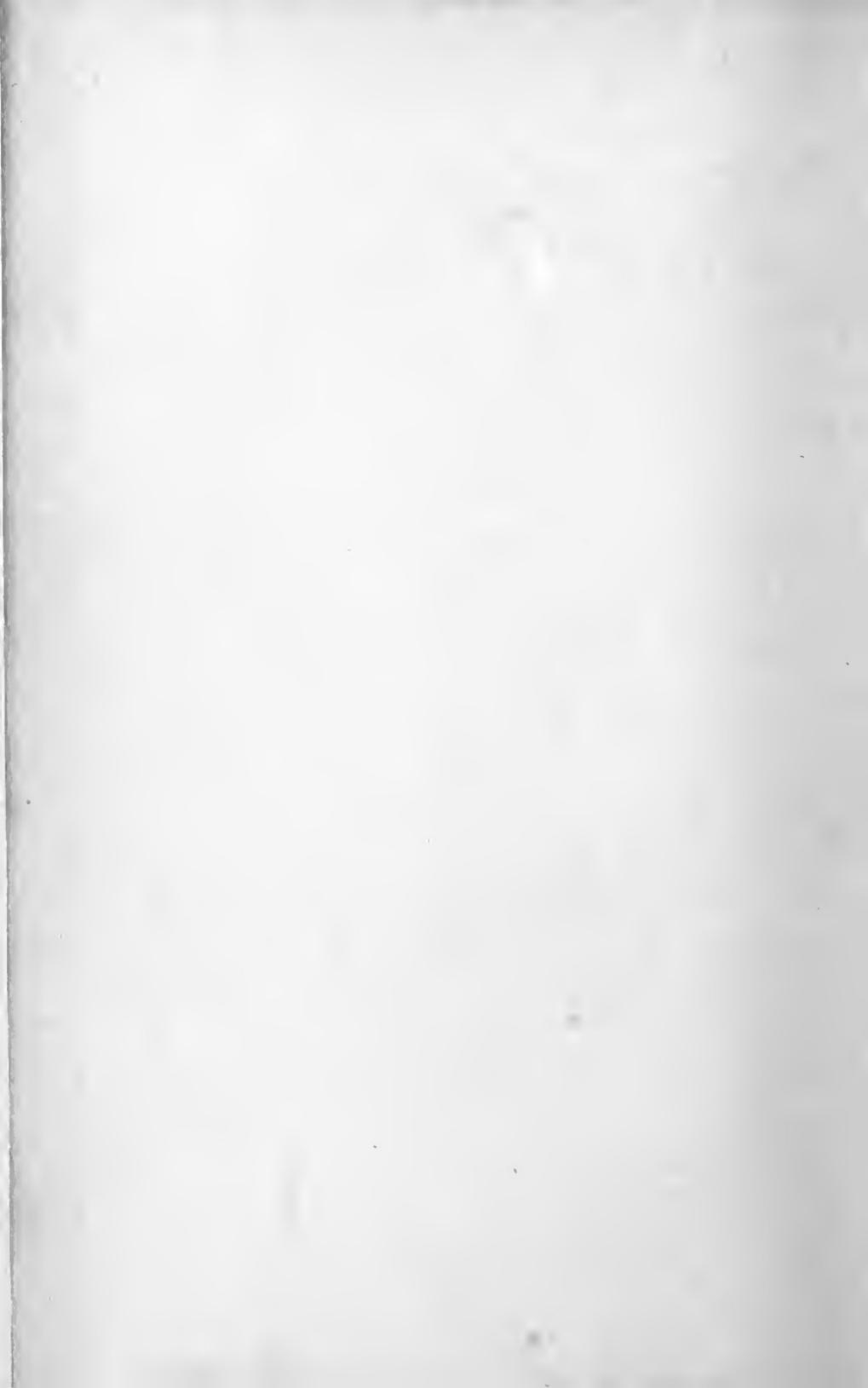
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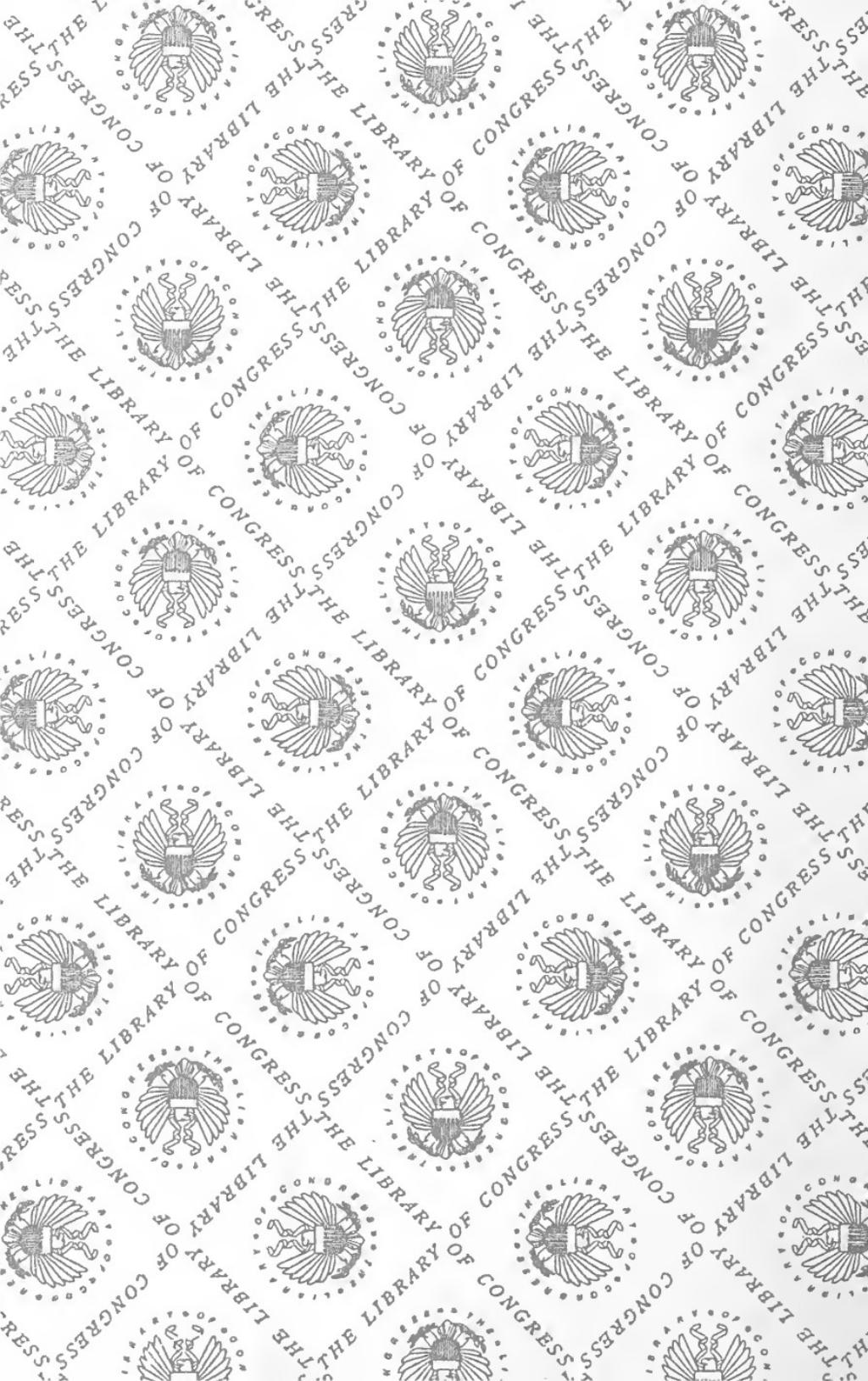
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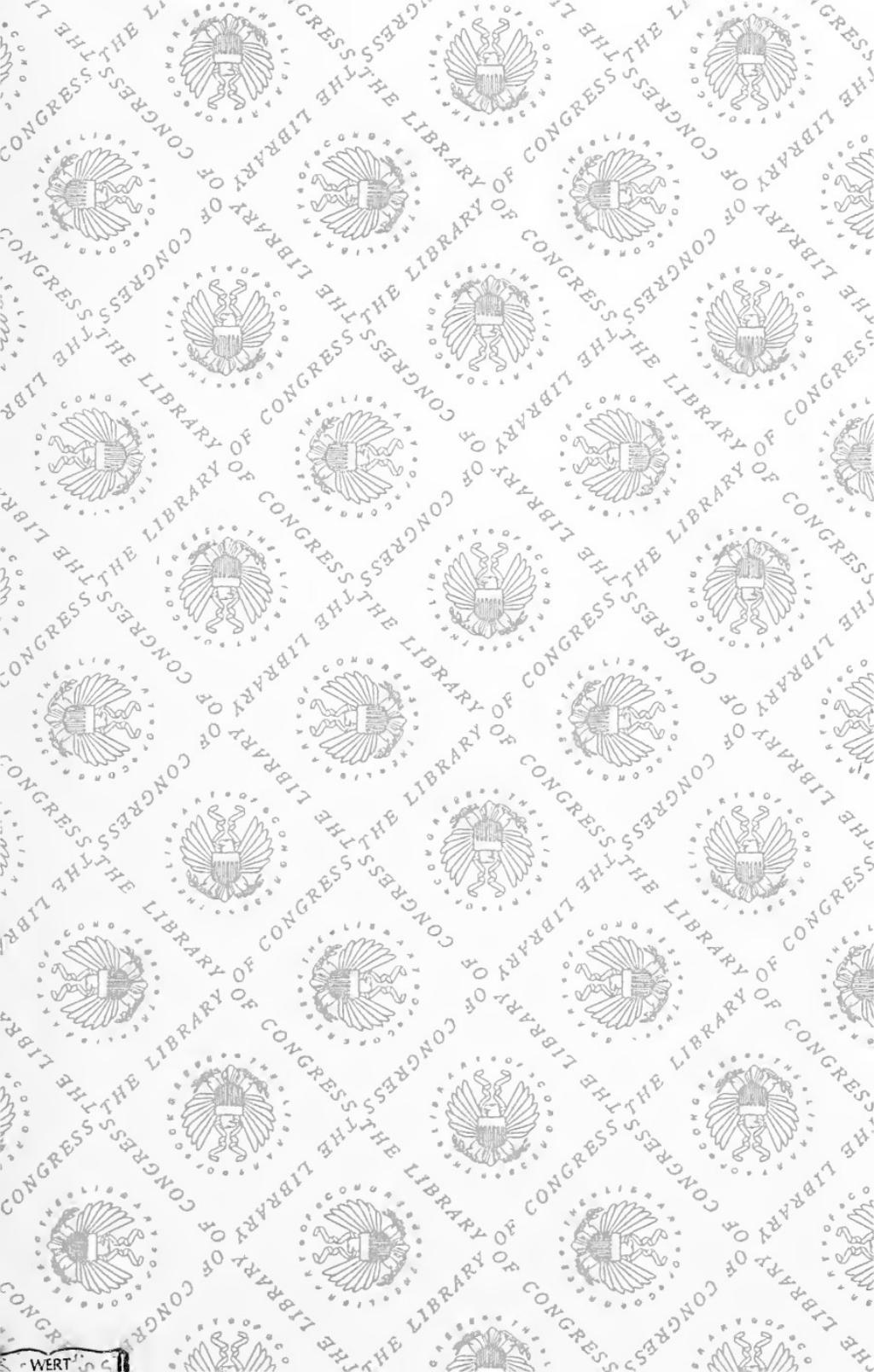
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